WILEY JOHN & SONS INC

FORM 10-K
(Annual Report)

Filed 7/1/1999 For Period Ending 4/30/1999

Address	111 RIVER STREET
	HOBOKEN, New Jersey 07030
Telephone	201-748-6000
CIK	0000107140
Industry	Printing & Publishing
Sector	Services
Fiscal Year	04/30

Generated by EDGAR Online Pro
http://pro.edgar-online.com

EDGAR Online

Contact EDGAR Online
Customer Service: 203-852-5666
Corporate Sales: 212-457-8200

FORM 10-K

SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

[x] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: April, 30, 1999

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934 (FEE REQUIRED)

For the transition period from to
Commission file number 1-11507

JOHN WILEY & SONS, INC.

(Exact name of Registrant as specified in its charter)

NEW YORK	13-5593032
State or other jurisdiction of incorporation or organization	I.R.S. Employer Identification No.
605 Third Avenue, New York, NY	10158-0012
Address of principal executive offices	Zip Code
Registrant's telephone number including area code	(212) 850-6000

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Class A Common Stock, par value $1.00 per share	New York Stock Exchange
Class B Common Stock, par value $1.00 per share	New York Stock Exchange
Securities registered pursuant to Section 12(g) of the Act: None	None

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to

Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K

The number of shares outstanding of the Registrant's Class A and Class B Common Stock, par value $1.00 per share as of May 31, 1999, was 50,235,994 and 12,147,656 respectively, and the aggregate market value of such shares of Common Stock held by non-affiliates of the Registrant as of such date was 887,946,646 based upon the closing market price of the Class A and Class B Common Stock.

DOCUMENTS INCORPORATED BY REFERENCE

The Registrant's Definitive proxy Statement to be filed with the Commission on or about August 6, 1999 for the Annual Meeting of Shareholders to be held on September 16, 1999, (the "1999 Proxy Statement") is, to the extent noted below, incorporated by reference in Part III.

PART I

Item 1. Business

The Company is a New York corporation incorporated on January 15, 1904. (As used herein the term "Company" means John Wiley & Sons, Inc., and its subsidiaries and affiliated companies, unless the context indicates otherwise).

The Company is a global publisher of print and electronic products, specializing in scientific, technical, and medical books and journals; professional and consumer books and subscription services; and textbooks and other educational materials for undergraduate and graduate students as well as lifelong learners. The Company has publishing, marketing and distribution centers in the United States, Canada, Europe, Asia, and Australia.

Journal publications are primarily in the sciences, medicine and engineering. Book publications are primarily in the areas of pure and applied science, engineering, mathematics, architecture, the social sciences, biomedicine, accounting, computer science, business, economics, finance and culinary arts and hospitality. Professional and reference books, encyclopedias, dictionaries, and periodicals are intended primarily for practicing and research professionals and for libraries, while textbooks are produced primarily for use in formal instruction in the college and university markets, as well as the lifelong learning, corporate and adult education and distance learning markets. The Company also publishes for the secondary school market in Australia. Some of the above, as well as nonfiction consumer publications, are also marketed to the general public. In addition, the Company markets and distributes books from other publishers. The Company develops and markets electronic versions of certain of its print products, as well as computer software and online electronic data bases for educational use and professional research and training.

Subsequent to the fiscal 1999 year-end, the Company acquired certain publishing assets from Pearson including college textbooks and instructional packages in biology/anatomy and physiology, engineering, mathematics, economics/finance and teacher education, for approximately $58 million in cash. In addition, the Company acquired the Jossey-Bass publishing company from Pearson for approximately $82 million in cash. Jossey-Bass publishes books and journals for professionals and executives primarily in the areas of business, psychology and education/health management.

The Company is on the Internet with a World Wide Web site located at http://www.wiley.com.

Publishing Operations

The Company publishes over 400 journals and other subscription-based products, which accounted for approximately 37% of the Company's fiscal 1999 revenues. Most journals are owned by the Company, in which case they may or may not be sponsored by a professional society. Some are owned by such societies and published by the Company under an agreement. Societies which sponsor or own such journals generally receive a royalty and/or other consideration which varies with the nature of the relationship. The Company usually enters into agreements with the outside independent editors of journals which state the duties of the editors, and the fees and expenses for their services. Contributors of journal articles transfer publication rights to the Company or professional society, as applicable.

Journal subscriptions result primarily from direct mail and other advertising and promotional campaigns, renewals which are solicited annually either directly or by companies commonly referred to as independent subscription agents, and memberships in the professional societies for those journals that are sponsored by such societies. Printed journals are generally mailed to subscribers directly from independent printers.

Materials for book publications are obtained from authors throughout most of the world through the efforts of an editorial staff, outside editorial advisors, and advisory boards. Most materials originate with their authors, but many are prepared as a result of suggestions or solicitations by editors or advisors. The Company usually enters into agreements with authors which state the terms and conditions under which the respective authors' materials will be published and under which other related rights may be exercised, the name in which the copyright will be registered, the basis for any royalties, and other matters. Most of the authors are compensated by royalties which vary with the nature of the product and its anticipated sales potential. In general, royalties for textbooks and consumer books are higher than royalties for research and reference works. The Company makes advances against future royalties to authors of certain of its publications. The Company continues to add new titles, revise existing titles, and discontinue the sale of others in the normal course of its business. The Company's general practice is to revise its basic textbooks every three to five years, if warranted, and to revise other titles as appropriate. Subscription-based products, other than journals, are updated more frequently on a regular schedule. Approximately 31% of the Company's fiscal 1999 domestic book publishing revenues were from titles published or revised in that fiscal year.

Professional and consumer book sales consist of sales to trade bookstores and online booksellers serving the general public, to wholesalers who supply such bookstores, to certain college bookstores for their non-textbook requirements, to individual professional practitioners, and to research institutions, jobbers, libraries (including public, professional, academic, and other special libraries), industrial organizations, and governmental agencies. The Company employs sales representatives who call upon independent bookstores, along with national and regional chain bookstores, wholesalers and jobbers. Trade sales to bookstores, wholesalers and jobbers are generally made on a fully returnable basis. Sales of professional and consumer books also result from direct mail campaigns, telemarketing, online access, and advertising and reviews in periodicals.

Adopted textbooks (i.e., textbooks prescribed for course use) are sold primarily to bookstores, including online bookstores, serving educational institutions in the United States (i.e., college bookstores). The Company employs sales representatives who call on faculty members responsible for selecting books to be used in courses, and on the bookstores which serve such institutions and their students. Textbook sales are generally made on a fully returnable basis. The textbook business is seasonal with the majority of textbook sales occurring during June through August and November through January. There is an active used textbook market which negatively affects the sales of new textbooks.

The Company performs marketing and distribution services for other publishers under agency arrangements. It also engages in co-publishing of titles with foreign publishers and in publication of adaptations of works from other publishers for particular markets. The Company also receives licensing revenues from photocopies and electronic uses and reproductions of journal articles and other materials.

Like most other publishers, the Company generally contracts with independent printers and binderies for their services. The Company purchases its paper from independent suppliers and printers. Paper prices continued to decline during fiscal 1999. The Company believes that adequate printing and binding facilities, and sources of paper and other required materials are available to it, and that it is not dependent upon any single supplier. Book products are distributed from Company operated warehouses.

The Company produces electronic versions of some of its products including software, video, CD-ROM, and through online services, including distribution of the Company's journals as full-text electronic files over the Internet, through Wiley InterScience. The Company believes that the demand for new electronic technology products will increase. Accordingly, to properly service its customers and to remain competitive, the Company anticipates it will be necessary to increase its expenditures related to such new technologies over the next several years.

The Company's publishing business is not dependent upon a single customer, the loss of whom could have a material adverse effect. The journal subscription business is primarily sourced through independent subscription agents who facilitate the journal ordering process by consolidating the subscription orders/billings of each subscriber with various publishers. Monies are collected in advance from subscribers by the subscription agents and are remitted to the journal publishers, including the Company, generally prior to the commencement of the subscriptions. Although at fiscal year-end, the Company had minimal credit risk exposure to these agents, future calendar year subscription receipts from these agents are highly dependent on their financial position and liquidity. Subscription agents account for approximately 28% of total consolidated revenues and no one agent accounts for more than 6% of total consolidated revenues. The book publishing business has witnessed a significant concentration in national and regional bookstore chains in recent years, however, no one customer accounts for more than 5% of total consolidated revenues.

International Operations

The Company's publications are sold throughout most of the world through subsidiaries located in Europe, Canada, Australia, and Asia, or through agents, or directly from the United States. These subsidiaries market their own indigenous publications, as well as publications produced by the domestic operations and other subsidiaries and affiliates. The Export Sales Department in the United States markets the Company's publications through agents as well as foreign sales representatives in countries not served by a foreign subsidiary. John Wiley & Sons International Rights, Inc. sells foreign reprint and translations rights. The Company publishes, or licenses others to publish, its products which are distributed throughout the world in 35 foreign languages. Approximately 45% of the Company's fiscal 1999 revenues were derived from non-U.S. markets.

Copyrights, Patents, Trademarks, and Environment

Substantially all of the Company's publications are protected by copyright, either in its own name, in the name of the author of the work, or in the name of the sponsoring professional society. Such copyrights protect the Company's exclusive right to publish the work in the United States and in many countries abroad for specified periods: in most cases the author's life plus 70 years, but in any event a minimum of 28 years for works published prior to 1978 and 35 years for works published thereafter.

The Company does not own any other material patents, franchises, or concessions, but does have registered trademarks and service marks in connection with its publishing businesses. The Company's operations are generally not affected by environmental legislation.

Competition Within the Publishing Industry

The sectors of the publishing industry in which the Company is engaged are highly competitive. The principal competitive criteria for the publishing industry are believed to be product quality, suitability of format and subject matter, author reputation, price, timely availability of both new titles and revisions of existing texts, online availability of journal and other published information and, for textbooks and certain trade books, timely delivery of products to retail outlets and consumers. Recent years have seen a consolidation trend within the publishing industry, including several publishing companies having been acquired by larger publishers and other companies.

Based upon currently available industry statistics, the Company believes that of books published and sold in the United States, it accounts for approximately 3% of the total sales of such university and college textbooks, and approximately 3% of the total sales of such professional books.

The Company knows of no reliable industry statistics which would enable it to determine its share of the various foreign markets in which it operates. The Company believes that the percentage of its total book publishing sales in markets outside the United States is higher than that of most of the United States publishers. The Company also believes it is in the top rank of publishers of scientific and technical journals worldwide, as well as the leading commercial chemistry publisher at the research level, and one of the four largest publishers of university and college textbooks for the "hardside" disciplines, i.e. engineering, sciences and mathematics.

Employees

As of April 30, 1999, the Company employed approximately 2,100 persons on a full-time basis worldwide.

Financial Information About Industry Segments

The note entitled "Segment Information" of the Notes to Consolidated Financial Statements listed in the attached index is incorporated herein by reference.

Financial Information about Foreign and
Domestic Operations and Export Sales

The note entitled "Segment Information" of the Notes to Consolidated Financial Statements listed in the attached index is incorporated herein by reference.

Executive Officers

Set forth below as of April 30, 1999 are the names and ages of all executive officers of the Company, the period during which they have been officers, and the offices presently held by each of them.

NAME AND AGE	OFFICER SINCE	PRESENT OFFICE
Bradford Wiley II 58	1993	Chairman of the Board since January 1993 and a Director
William J. Pesce 48	1989	President and Chief Executive Officer and a Director since May 1, 1998, (previously Chief Operating Officer; Executive Vice President, Educational and International Group; Senior Vice President, Educational and International Group; and Senior Vice President, Educational Publishing)
Stephen A. Kippur 52	1986	Executive Vice President and President, Professional and Trade Publishing Division since July 1998 (previously Executive Vice President and Group President, PRT; Senior Vice President, Professional, Reference & Trade Publishing Group)
Richard S. Rudick 60	1978	Senior Vice President, General Counsel since June 1989
Robert D. Wilder 50	1986	Executive Vice President and Chief Financial and Operations Officer since June 1996 (previously Senior Vice President, Chief Financial Officer)
William Arlington 50	1990	Senior Vice President, Human Resources since June 1996 (previously Vice President, Human Resources)
Peter W. Clifford 53	1989	Senior Vice President, Finance, Corporate Controller and Chief Accounting Officer since June 1996 (previously Vice President, Finance and Controller)
Deborah E. Wiley 53	1982	Senior Vice President, Corporate Communications since June 1996 (previously Vice President and Director of Corporate Communications, and a Director of the Company until September 1998.)
Timothy B. King 59	1996	Senior Vice President, Planning and Development since June 1996 (previously Vice President, Planning and Development)

Each of the officers listed above will serve until the next organizational meeting of the Board of Directors of the Company and until each of the respective successors is duly elected and qualified. Deborah E. Wiley is the sister of Bradford Wiley II. There is no other family relationship among any of the aforementioned individuals.

Item 2. Properties

The Company's publishing businesses occupy office, warehouse, and distribution centers in various parts of the world, as listed below (excluding those locations with less than 10,000 square feet of floor area, none of which is considered material property).

LOCATION	PURPOSE	APPROX. SQ. FT.	LEASE EXPIRATION DATE
LEASED-DOMESTIC			
New York	Executive and Editorial Offices	230,000	2003
New Jersey	Distribution Center and Office	170,000	2003
New Jersey	Warehouse	132,000	2002
OWNED-FOREIGN			
Germany	Office and Warehouse	66,000	
LEASED-FOREIGN			
Australia	Office	16,000	2002
	Warehouse	26,000	2000
Canada	Office	14,000	2001
	Warehouse	41,000	2001
England	Office	48,000	2009
	Warehouse	82,000	2012
Germany	Office	9,000	2004
Singapore	Office and Warehouse	45,000	2002

All of the buildings and the equipment owned or leased are believed to be in good condition and are generally fully utilized. The Company considers its facilities overall to be adequate for its present and near-term anticipated needs.

Item 3. Legal Proceedings

The Company is involved in routine litigation in the ordinary course of its business. In the opinion of management, the ultimate resolution of all pending litigation will not have a material effect upon the financial condition or results of operations of the Company.

Item 4. Submission of Matters to a Vote of Security Holders

No matters were submitted to the Company's security holders during the last quarter of the fiscal year ended April 30, 1999.

PART II

Item 5. Market for the Company's Common Equity and Related Stockholder Matters

The Quarterly Share Prices, Dividends and Related Stockholder Matters listed in the attached index are incorporated herein by reference.

Item 6. Selected Financial Data

The Selected Financial Data listed in the attached index is incorporated herein by reference.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations listed in the attached index is incorporated herein by reference.

Item 7A. Quantitative And Qualitative Disclosures About Market Risk

The information appearing under the caption "Market Risk" in Management's Discussion and Analysis of Financial Condition and Results of Operations listed in the attached index is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The financial statements and supplementary data listed in the attached index are incorporated herein by reference.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Officers

The information regarding the Board of Directors on pages 4 to 11 of the 1999 Proxy Statement is incorporated herein by reference, and information regarding Executive Officers appears in Part I of this report.

Item 11. Executive Compensation

The information on pages 10 to 16 of the 1999 Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information on pages 2, 3, 8, and 9 of the 1999 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

None.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) Financial Statements and Schedules

(1) List of Financial Statements filed. The financial statements listed in the attached index are filed as part of this Report.

(2) List of Financial Statement Schedules filed. The financial statement schedules listed in the attached index are filed as part of this Report.

(b) Reports on Form 8-K. No reports on form 8-K were filed during the quarter ended April 30, 1999.

(c) Exhibits

2.1 Amendment No. 1 to the Asset Purchase Agreement dated as of April 15, 1999 between the Company and Pearson Inc. (incorporated by reference to the Company's Report on Form 8-K dated as of May 10, 1999).

2.2 Asset Purchase Agreement dated as of April 15, 1999 between the Company and Pearson Inc. (incorporated by reference to the Company's Report on Form 8-K dated as of May 10, 1999).

2.3 Stock Purchase Agreement dated as of May 21, 1999 between the Company and Pearson Education, Inc. (incorporated by reference to the Company's Report on Form 8-K dated as of May 21, 1999).

2.4 Purchase and Assignment Agreement dated May 7, 1996 among the Company and VCH Publishing Limited Partnership (incorporated by reference to the Company's Report on Form 8-K dated as of June 13, 1996).

2.5 Purchase and Assignment Agreement dated May 7, 1996 among the Company and Gesellschaft Deutscher Chemiker e.V. and Deutsche Pharmazeutische Gesellschaft e.V. (incorporated by reference to the Company's Report on Form 8-K dated as of June 13, 1996).

3.1 Restated Certificate of Incorporation (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1992).

3.2 Certificate of Amendment of the Certificate of Incorporation dated October 13, 1995 (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1997).

3.3 Certificate of Amendment of the Certificate of Incorporation dated as of September 1998 (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended October 31, 1998).

3.4 By-Laws as Amended and Restated dated as of September 1998 (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended October 31, 1998).

4.1 Form of agreement between the Company and certain employees restricting transfer of Class B Common Stock (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended January 31, 1986).

10.1 Credit agreement dated as of November 15, 1996 among the Company, the Banks from time to time parties hereto, and Morgan Guaranty Trust Company of New York, as Agent (incorporated by reference to the Company's report on Form 10-Q for the quarterly period ended October 31, 1996).

10.2 1991 Key Employee Stock Plan (incorporated by reference to the Company's Definitive Proxy Statement dated August 8, 1991).

10.3 Amendment to 1991 Key Employee Stock plan dated as of September 19, 1996 (incorporated by reference to the Company's Definitive Proxy Statement dated August 9, 1996).

10.4 1987 Incentive Stock Option and Performance Stock Plan (incorporated by reference to the Company's Definitive Proxy Statements dated August 10, 1987).

10.5 Amendment to 1987 Incentive Stock Option and Performance Stock Plan dated as of March 2, 1989 (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1989).

10.6 1990 Director Stock Plan as Amended and Restated as of June 22, 1995 (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1997).

10.7 1989 Supplemental Executive Retirement Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1989).

10.8 Agreement of Lease dated as of May 16, 1985 between Fisher 40th & 3rd Company and Hawaiian Realty, Inc., Landlord, and the Company, Tenant (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1985).

10.9 Form of the Fiscal Year 1997 Executive Long-Term Incentive Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1996).

10.10 Form of the Fiscal Year 1998 Executive Long-Term Incentive Plan (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1998).

10.11 Form of the Fiscal Year 1999 Executive Long-Term Incentive Plan.

10.12 Form of the Fiscal Year 1999 Executive Annual Incentive Plan.

10.13 Senior Executive Employment Agreement dated as of January 8, 1998 between William J. Pesce and the Company (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1998).

10.14 Senior Executive Employment Agreement amended as of March 29, 1995 between Charles R. Ellis and the Company (incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1995).

10.15 Restricted Stock Award Agreement dated as of June 23, 1994 between Charles R. Ellis and the Company (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1995).

10.16 Senior Executive Employment Agreement dated as of July 1, 1994 between Stephen A. Kippur and the Company (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1995).

10.17 Amendment No. 1 to Stephen A. Kippur's Senior Executive Employment Agreement dated as of July 1, 1994 (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1995).

10.18 Restricted Stock Award Agreement dated as of June 23, 1994 between Stephen A. Kippur and the Company (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1995).

10.19 Restricted Stock Award Agreement dated as of June 23, 1994 between William J. Pesce and the Company (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1995).

10.20 Senior Executive Employment Agreement dated as of July 1, 1994 between Robert D. Wilder and the Company (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1995).

10.21 Amendment No. 1 to Robert D. Wilder's Senior Executive Employment Agreement dated as of July 1, 1994 (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1995).

10.22 Restricted Stock Award Agreement dated as of June 23, 1994 between Robert D. Wilder and the Company (incorporated by reference to the Company's Report on Form 10-Q for the quarterly period ended July 31, 1995).

10.23 Employment agreement letter dated as of January 16, 1997 between Richard S. Rudick and the Company (Incorporated by reference to the Company's Report on Form 10-K for the year ended April 30, 1997).

22 List of Subsidiaries of the Company.

23 Consent of Independent Public Accountants (included in this report as listed in the attached index).

27 Financial Data Schedule.

JOHN WILEY & SONS, INC. AND SUBSIDIARIES
INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND SCHEDULES

The following financial statements and information appearing on the pages indicated are filed as part of this Report:

	Page(s)
Report of Independent Public Accountants and Consent of Independent Public Accountants	16
Consolidated Statements of Financial Position as of April 30, 1999 and 1998	17
Consolidated Statements of Income and Retained Earnings for the years ended April 30, 1999, 1998 and 1997	18
Consolidated Statements of Comprehensive Income for the years ended April 30, 1999, 1998 and 1997	18
Consolidated Statements of Cash Flows for the years ended April 30, 1999, 1998 and 1997	19
Notes to Consolidated Financial Statements	20 - 30
Management's Discussion and Analysis of Financial Condition and Results of Operations	31 - 34
Results by Quarter (Unaudited)	35
Quarterly Share Prices, Dividends and Related Stockholder Matters	35
Selected Financial Data	36
Schedule II - Valuation and Qualifying Accounts	37

Other schedules are omitted because of absence of conditions under which they apply or because the information required is included in the Notes to Consolidated Financial Statements.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Board of Directors and the Shareholders of John Wiley & Sons, Inc.:

We have audited the accompanying consolidated statements of financial position of John Wiley & Sons, Inc. (a New York corporation), and subsidiaries as of April 30, 1999 and 1998, and the related consolidated statements of income and retained earnings and cash flows for each of the three years in the period ended April 30, 1999. These financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and the schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of John Wiley & Sons, Inc., and subsidiaries as of April 30, 1999 and 1998, and the results of their operations and their cash flows for each of the three years in the period ended April 30, 1999 in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule listed in the Index to Consolidated Financial Statements and Schedules is presented for purposes of complying with the Securities and Exchange Commission's rules and is not a required part of the basic financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

ARTHUR ANDERSEN LLP
New York, New York
June 11, 1999

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation by reference of our report included in the John Wiley & Sons, Inc. Form 10-K for the year ended April 30, 1999, into the Company's previously filed Registration Statement File Nos. 33-60268, 2-65296, 2-95104, 33-29372 and 33-62605.

ARTHUR ANDERSEN LLP
New York, New York
June 24, 1999

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

John Wiley & Sons, Inc. an Dollars in thousands	April 30 1999	 1998
Assets		
Current Assets		
Cash and cash equivalents	$ 148,970	$ 127,405
Accounts receivable	53,785	56,147
Inventories	40,003	44,912
Deferred income tax benefits	3,865	456
Prepaid expenses	9,347	8,690
Total Current Assets	255,970	237,610
Product Development Assets	38,099	36,039
Property and Equipment	34,726	34,310
Intangible Assets	174,911	172,798
Deferred Income Tax Benefits	13,001	15,593
Other Assets	11,845	10,564
Total Assets	$ 528,552	$ 506,914
Liabilities and Shareholders' Equity		
Current Liabilities		
Accounts and royalties payable	$ 34,708	$ 36,854
Deferred subscription revenues	110,143	99,225
Accrued income taxes	3,356	1,174
Other accrued liabilities	46,893	41,100
Total Current Liabilities	195,100	178,353
Long-Term Debt	125,000	125,000
Other Long-Term Liabilities	30,271	26,663
Deferred Income Taxes	15,969	16,147
Shareholders' Equity		
Common stock issued		
Class A (67,548,260 and 67,106,196 shares)	67,548	67,106
Class B (15,641,752 and 15,868,728 shares)	15,642	15,869
Additional paid-in capital	13,045	5,624
Retained earnings	154,759	122,906
Accumulated other comprehensive income	(526)	(540)
Unearned deferred compensation	(3,114)	(2,715)
	247,354	208,250
Less Treasury shares at cost (Class A - 17,323,920 and 15,498,412; Class B - 3,484,096 and 3,484,096)	(85,142)	(47,499)
Total Shareholders' Equity	162,212	160,751
Total Liabilities and Shareholders' Equity	$528,552	$506,914

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME AND RETAINED EARNINGS

John Wiley & Sons, Inc. and Subsidiaries For the years ended April 30

Dollars in thousands except per share data	1999	1998	1997
Revenues	$ 508,435	$ 467,081	$ 431,974
Costs and Expenses			
Cost of sales	173,983	164,169	155,245
Operating and administrative expenses	261,353	250,008	233,771
Amortization of intangibles	9,445	12,040	8,161
Total Costs and Expenses	444,781	426,217	397,177
Gain on Sale of Publishing Assets	--	21,292	--
Operating Income	63,654	62,156	34,797
Interest Income and Other	5,713	3,863	2,281
Interest Expense	(7,322)	(7,933)	(6,225)
Interest Income (Expense)-Net	(1,609)	(4,070)	(3,944)
Income Before Taxes	62,045	58,086	30,853
Provision for Income Taxes	22,336	21,498	10,513
Net Income	39,709	36,588	20,340
Retained Earnings at Beginning of Year	122,906	93,337	106,716
Retroactive Effect of 2-for-1 Stock Splits	--	--	(27,486)
Cash Dividends			
Class A Common			
($.1275, $.1125 and $.1000 per share)	(6,479)	(5,766)	(5,116)
Class B Common			
($.1125, $.1000 and $ .0875 per share)	(1,377)	(1,253)	(1,117)
Total Dividends	(7,856)	(7,019)	(6,233)
Retained Earnings at End of Year	$ 154,759	$ 122,906	$ 93,337
Income Per Share			
Diluted	$ 0.60	$ 0.55	$ 0.31
Basic	$ 0.63	$ 0.58	$ 0.32

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

John Wiley & Sons, Inc. and Subsidiaries	For the years ended April 30		
Dollars in thousands	1999	1998	1997
Net Income	$ 39,709	$ 36,588	$ 20,340
Other Comprehensive Income			
Foreign currency translation adjustments	14	(646)	3,192
Comprehensive Income	$ 39,723	$ 35,942	$ 23,532

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

John Wiley & Sons, Inc. and Subsidiaries Dollars in thousands	For the years ended April 30 1999	 1998	 1997
Operating Activities			
Net Income	$ 39,709	$ 36,588	$ 20,340
Noncash Items			
Amortization of intangibles	9,445	12,040	8,161
Amortization of composition costs	21,322	20,213	17,763
Depreciation of property and equipment	9,788	9,188	8,340
Reserves for returns, doubtful accounts, and obsolescence	5,406	10,181	11,861
Deferred income taxes	(1,056)	9,234	3,243
Gain on sale of publishing assets	--	(21,292)	--
Other	10,822	12,207	7,300
Changes in Operating Assets and Liabilities			
Decrease (increase) in receivables	1,151	(2,872)	(178)
Decrease in inventories	3,032	4,426	1,791
Increase (decrease) in accounts and royalties payable	(1,917)	6,000	(12,109)
Increase in deferred subscription revenues	10,413	5,983	7,769
Net change in other operating assets and liabilities	9,783	2,162	(10,372)
Cash Provided by Operating Activities	117,898	104,058	63,909
Investing Activities			
Additions to product development assets	(31,998)	(30,220)	(25,466)
Additions to property and equipment	(10,631)	(11,935)	(8,868)
Proceeds from sale of publishing assets	--	26,500	--
Acquisition of publishing assets	(10,429)	(30,491)	(103,980)
Cash Used for Investing Activities	(53,058)	(46,146)	(138,314)
Financing Activities			
Purchase of treasury shares	(38,549)	(4,281)	(10,506)
Additions to long-term debt	--	--	125,000
Repayment of long-term debt	--	--	(10,542)
Net repayments of short-term debt	--	(156)	(1,270)
Cash dividends	(7,856)	(7,019)	(6,233)
Proceeds from issuance of stock on option exercises and other	5,159	2,288	1,249
Cash Provided by (Used for) Financing Activities	(41,246)	(9,168)	97,698
Effects of exchange rate changes on cash	(2,029)	(455)	539
Cash and Cash Equivalents			
Increase for year	21,565	48,289	23,832
Balance at beginning of year	127,405	79,116	55,284
Balance at end of year	$ 148,970	$ 127,405	$ 79,116
Cash Paid During the Year for			
Interest	$ 7,886	$ 8,042	$ 5,143
Income taxes	$ 17,201	$ 12,409	$ 7,995

The accompanying notes are an integral part of the consolidated financial statements.

Notes to Consolidated Financial Statements Summary of Significant Accounting Policies

Principles of Consolidation: The consolidated financial statements include the accounts of John Wiley & Sons, Inc., and its majority-owned subsidiaries (the "Company"). All significant intercompany items have been eliminated.

Common Stock Splits: During fiscal 1999, the Company declared two 2-for-1 stock splits for both its Class A and Class B common stock. The first split was in October 1998, and the second split was distributed in May 1999. All shares and per share amounts in the accompanying consolidated financial statements have been restated to reflect the effects of both stock splits.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subscription Revenues: Subscription revenues are generally collected in advance. These revenues are deferred and recognized as earned when the related issue is shipped or made available on-line to the subscriber.

Sales Returns and Doubtful Accounts: The Company provides an estimated allowance for doubtful accounts and for future returns on sales made during the year. The allowance for doubtful accounts and returns (estimated returns net of inventory and royalty costs) is shown as a reduction of receivables in the accompanying consolidated balance sheets and amounted to $41.8 and $41.6 million at April 30, 1999 and 1998, respectively.

Depreciation and Amortization: Buildings, leasehold improvements, and capital leases are amortized over the lesser of the estimated useful lives of the assets up to 40 years, or the duration of the various leases, using the straight-line method. Furniture and equipment is depreciated principally on the straight-line method over estimated useful lives ranging from 3 to 10 years. Composition costs representing the costs incurred to bring an edited manuscript to publication including typesetting, proofreading, design and illustration, etc., are capitalized and amortized over estimated useful lives representative of product revenue patterns, generally three years.

Intangible Assets: Intangible assets consist of acquired publication rights, which are principally amortized over periods ranging from 3 to 30 years based on the projected revenues of rights acquired; noncompete agreements; which are amortized over the term of such agreements, and goodwill and other intangibles, which are amortized on a straight - line basis over periods ranging from 5 to 40 years. If facts and circumstances indicate that long-lived assets and/or intangible assets may be permanently impaired, it is the Company's policy to assess the carrying value and recoverability of such assets based on an analysis of undiscounted future cash flows of the related operations. Any resulting reduction in carrying value based on the estimated fair value would be charged to operating results.

Derivative Financial Instruments - Foreign Exchange Contracts: The Company, from time to time, enters into forward exchange contracts as a hedge against its overseas subsidiaries' foreign currency asset, liability, commitment and anticipated transaction exposures. To qualify as a hedge, the financial instrument must be designated as a hedge against identified items which have a high correlation with the financial instrument. The Company does not use financial instruments for trading or speculative purposes. Realized and unrealized gains and losses are deferred and taken into income over the lives of the hedged items if permitted by generally accepted accounting principles; otherwise the contracts are marked to market with any gains and losses reflected in operating expenses. There were no open foreign exchange contracts and no gains or losses were deferred at April 30, 1999 or 1998. Included in operating and administrative expenses were net foreign exchange gains (losses) of approximately $(.1), $(.1) and $.7 million in 1999, 1998, and 1997, respectively.

Stock-Based Compensation: Stock options and restricted stock grants are accounted for in accordance with Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" and the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation." Accordingly, the Company recognizes no compensation expense for fixed stock option grants since the exercise price is equal to the fair value of the shares at date of grant. For restricted stock grants, compensation cost is recognized generally ratably over the vesting period based on the fair value of shares.

Cash Equivalents: Cash equivalents consist primarily of highly liquid investments with a maturity of three months or less and are stated at cost plus accrued interest, which approximates market value.

New Accounting Standards: In fiscal 1999, the Company adopted the following Statements of Financial Accounting Standards ("SFAS"): SFAS No. 130, "Reporting Comprehensive Income," which requires disclosure of comprehensive income and its components, as defined; SFAS No. 131, "Disclosure about Segments of an Enterprise and Related Information," which requires certain financial and descriptive information about a company's reportable operating statements; and SFAS No. 132, "Employers' Disclosures about Pensions and other Postretirement Benefits," which requires additional disclosures relating to a company's pension and postretirement benefit plans. The adoption of these new accounting standards require additional disclosures and did not have a material effect on the consolidated financial results or financial position of the Company.

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 98-1, "Accounting for the Cost of Computer Software Developed or Obtained for Internal Use," which requires that certain costs incurred in developing or obtaining internal use software be capitalized and amortized over the useful life of the software. The Company will be required to adopt SOP 98-1 beginning in fiscal year 2000 and is currently evaluating the effect this will have on its consolidated financial statements. Currently, the Company expenses most of these costs as incurred. The Financial Accounting Standards Board issued SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities," which specifies the accounting and disclosure requirements for such instruments, and is effective for the Company's fiscal year beginning on May 1, 2001. It is anticipated that the adoption of this new accounting standard will not have a material effect on the consolidated financial statements of the Company.

Income Per Share

A reconciliation of the shares used in the computation of income per-share follows:

In thousands	1999	1998	1997
Weighted average shares outstanding	63,738	63,876	64,117
Less:Unearned deferred compensation shares	(781)	(782)	(838)
Shares used for basic income per share	62,957	63,094	63,279
Dilutive effect of stock options and other stock awards	3,556	2,858	2,208
Shares used for diluted income per share	66,513	65,952	65,487

Acquisitions

In fiscal 1999, the Company acquired various publishing properties for approximately $10.4 million in cash including the Huthig Publishing Group's scientific book and journals program; the German Materials Science Society book program; Chronimed's publishing program in such areas as general health, cooking, nutrition, diabetes and other chronic illnesses; Hewin International, a publisher of technological-commercial reports in the areas of agrochemicals, biochemistry, oleochemicals, and petrochemicals; and the remaining shares of Verlag Helvetica Chemica Acta, a scientific publisher of chemistry books and journals. The excess of cost over the fair value of the tangible assets acquired amounted to approximately $11.4 million, relating primarily to acquired publishing rights that are being amortized on a straight-line basis over periods ranging from 5 to 30 years.

In fiscal 1998, the Company acquired the publishing assets of Van Nostrand Reinhold (VNR) for approximately $28 million in cash. VNR publishes in such areas as architecture / design, environmental / industrial sciences, culinary arts / hospitality, and business technology. The excess of cost over the fair value of the tangible assets acquired amounted to approximately $23 million, relating primarily to acquired publication rights that are being amortized on a straight-line basis over an estimated average life of 15 years. In addition, during the year, the Company acquired various newsletters, books, and journals for purchase prices aggregating approximately $2 million, which primarily relates to acquired publication rights that are being amortized over periods ranging from 15 to 30 years.

In fiscal 1997, the Company acquired a 90% interest in the German-based VCH Publishing Group ("VCH") through the purchase of 90% of the shares of VCH Verlagsgesellschaft mbH for approximately $99 million in cash. VCH is a leading scientific, technical, and professional publisher of journals and books in such disciplines as chemistry, architecture, and civil engineering. The excess of cost over the fair value of the tangible assets acquired amounted to approximately $112 million relating to acquired publication rights, which are being amortized on a straight-line basis over an average life of 30 years. In addition, during the year, the Company acquired various newsletters including the publishing assets of Technical Insights, Inc., a publisher of print and electronic newsletters in various areas of science and technology, for purchase prices aggregating $5 million, which primarily relates to goodwill and is being amortized on a straight-line basis over 10 years.

All acquisitions have been accounted for by the purchase method, and the accompanying financial statements include their results of operations since their respective dates of acquisition.

Subsequent Events

Subsequent to the fiscal 1999 year-end, the Company acquired certain publishing assets from Pearson including college text books and instructional packages in biology/anatomy and physiology, engineering, mathematics, economics / finance and teacher education, for approximately $58 million in cash. In addition, the Company acquired the Jossey-Bass publishing company from Pearson for approximately $82 million in cash. Jossey-Bass publishes books and journals for professionals and executives primarily in the areas of business, psychology, and education/health management.

Divested Operations

In fiscal 1998, the Company sold its domestic law publishing program for $26.5 million, resulting in a gain of $21.3 million. Offsetting this gain are special asset write-downs and other items amounting to approximately $4.4 million, including write-downs of intangible assets of approximately $3.3 million in accordance with the Company's policy of evaluating such assets, and if deemed to be permanently impaired, writing them down to net realizable value based on discounted cash flows. The net effect of these unusual items amounted to a pretax gain of $16.9 million, or $9.7 million after taxes, equal to $.14 per diluted share, or $.15 per basic share.

Inventories

Inventories at April 30 were as follows:

Dollars in thousands	1999	1998
Finished Goods	$ 34,485	$ 38,039
Work-in-Process	5,325	6,864
Paper, Cloth, and Other	2,007	2,084
	41,817	46,987
LIFO Reserve	(1,814)	(2,075)
Total	$ 40,003	$ 44,912

Domestic book inventories aggregating $27.4 and $29.6 million at April 30, 1999 and 1998, respectively, are stated at cost or market, whichever is lower, using the last-in, first-out method. All other inventories are stated at cost or market, whichever is lower, using the first-in, first-out method.

Product Development Assets

Product development assets consisted of the following at April 30:

Dollars in thousands	1999	1998
Composition Costs	$27,110	$25,468
Royalty Advances	10,989	10,571
Total	$38,099	$ 36,039

Composition costs are net of accumulated amortization of $44,107 in 1999 and $40,108 in 1998.

Property and Equipment

Property and equipment consisted of the following at April 30:

Dollars in thousands	1999	1998
Land and Land Improvements	$ 1,542	$ 1,542
Buildings and Leasehold Improvements	19,891	17,043
Furniture and Equipment	72,481	64,570
	93,914	83,155
Accumulated Depreciation	(59,188)	(48,845)
Total	$ 34,726	$ 34,310

Intangible Assets

Intangible assets consisted of the following at April 30:

Dollars in thousands	1999	1998
Acquired Publication Rights	$164,705	$149,977
Goodwill and Other Intangibles	51,870	52,061
Non-compete Agreements	1,516	1,316
	218,091	203,354
Accumulated Amortization	(43,180)	(30,556)
Total	$174,911	$172,798

Other Accrued Liabilities

Included in other accrued liabilities was accrued compensation of approximately $21.3 million and $20.1 million for 1999 and 1998, respectively.

Income Taxes

The provision for income taxes was as follows:

Dollars in thousands	1999	1998	1997
Currently Payable			
Federal	$ 16,419	$6,781	$ 945
Foreign	4,663	4,332	5,295
State and local	2,249	1,166	1,026
Total Current Provision	23,331	12,279	7,266
Deferred Provision			
Federal	(4,060)	6,211	2,496
Foreign	1,922	1,629	834
State and local	1,143	1,379	(83)

Total Deferred Provision	(995)	9,219	3,247
Total Provision	$ 22,336	$21,498	$10,513

The Company's effective income tax rate as a percent of pretax income differed from the U.S. federal statutory rate as shown below:

	1999	1998	1997
U.S. Federal Statutory Rate	35.0%	35.0%	35.0%
State and Local Income Taxes Net of Federal Income Tax Benefit	3.6	2.8	2.0
Tax Benefit Derived From FSC Income	(2.5)	(2.7)	(4.8)
Foreign Source Earnings Taxed at Other Than U.S. Statutory Rate	.1	.6	.3
Nondeductible Amortization of Intangibles	.6	.7	.9
Other-Net	(.8)	.6	.7
Effective Income Tax Rate	36.0%	37.0%	34.1%

Deferred taxes result from timing differences in the recognition of revenue and expense for tax and financial reporting purposes. The components of the provision for deferred taxes were as follows:

Dollars in thousands	1999	1998	1997
Depreciation and Amortization	$(2,356)	$(2,898)	$(691)
Accrued Expenses	2,500	(275)	264
Provision for Sales Returns and Doubtful Accounts	(3,414)	5,699	(959)
Inventory	5	1,331	112
Retirement Benefits	(1,454)	(23)	(87)
Long-Term Liabilities	(1,175)	2,541	1,562
Alternative Minimum Tax Credit and Other Carryforwards	288	236	653
Net Operating Loss Carryforwards	4,500	1,631	(1,150)
Valuation Allowance	245	826	2,432
Other-Net	(134)	151	1,111
Total Deferred Provision	$ (995)	$ 9,219	$3,247

The significant components of deferred tax assets and liabilities were as follows:

	1999		1998	
Dollars in thousands	Current	Long-Term	Current	Long-Term
Deferred Tax Assets				
Net Operating Loss Carryforwards	$ --	$ 21,631	$ --	$ 26,131
Reserve for Sales Returns and Doubtful Accounts	5,608	--	2,194	
Costs Capitalized for Taxes	--	2,900	--	3,054
Retirement and Post-Employment Benefits	--	4,924	--	3,470
Amortization of Intangibles	--	4,018	--	2,513
Total Deferred Tax Assets	5,608	33,473	2,194	35,168
Less: Valuation Allowance	--	(12,798)	--	(12,553)
Net Deferred Tax Assets	5,608	20,675	2,194	22,615
Deferred Tax Liabilities				
Inventory	(1,743)	--	(1,738)	--
Depreciation and Amortization	--	(3,454)	--	(4,305)
Accrued Expenses	--	(9,502)	--	(7,002)
Long-Term Liabilities	--	(10,687)	--	(11,862)
Total Deferred Tax Liabilities	(1,743)	(23,643)	(1,738)	(23,169)

Net Deferred Tax Assets (Liability) $3,865 $(2,968) $456 $(554)

Approximately $9 million of the valuation allowance relates to net deferred tax assets recorded in connection with the VCH acquisition. Any amounts realized in future years will reduce the intangible assets recorded at date of acquisition.

Current taxes payable for 1999 have been reduced by $4.6 million relating to the utilization of net operating loss carryforwards. At April 30, 1999, the Company had aggregate unused net operating loss carryforwards of approximately $50 million, which may be available to reduce future taxable income primarily in foreign tax jurisdictions and generally have no expiration date.

In general, the Company plans to continue to invest the undistributed earnings of its foreign subsidiaries in those businesses, and therefore no provision is made for taxes that would be payable if such earnings were distributed. At April 30, 1999, the undistributed earnings of foreign subsidiaries approximated $28 million and, if remitted currently, would result in additional taxes approximating $6 million.

Notes Payable and Debt

Long-term debt consisted of the following at April 30:

Dollars in thousands	1999	1998
Term Loan Notes Payable Due October 2000 Through 2003	$ 125,000	$125,000

The weighted average interest rate on the term loan was 5.85% and 6.21% during 1999 and 1998, respectively; and 5.25% and 6.19% at April 30, 1999 and 1998, respectively.

The Company has a $175 million credit agreement expiring on October 31, 2003, with eight banks. The credit agreement consists of a term loan of $125 million and a $50 million revolving credit facility. The Company has the option of borrowing at the following floating interest rates: (i) Eurodollars at a rate based on the London Interbank Offered Rate (LIBOR) plus an applicable margin ranging from .15% to .30% depending on certain coverage ratios, or (ii) dollars at a rate based on the current certificate of deposit rate, plus an applicable margin ranging from .275% to .425% depending on certain coverage ratios, or
(iii) dollars at the higher of (a) the Federal Funds Rate plus .5% and (b) the banks' prime rate. In addition, the Company pays a facility fee ranging from .10% to .20 % on the total facility depending on certain coverage ratios.

In the event of a change of control, as defined, the banks have the option to terminate the agreement and require repayment of any amounts outstanding. Amounts outstanding under the term loan have mandatory repayments as follows:

Dollars in thousands	2000	2001	2002	2003	2004
	$--	$30,000	$30,000	$30,000	$35,000

The credit agreement contains certain restrictive covenants related to minimum net worth, funded debt levels, an interest coverage ratio, and restricted payments, including a cumulative limitation for dividends paid and share repurchases. Under the most restrictive covenant, approximately $58 million was available for such restricted payments as of April 30, 1999.

The Company and its subsidiaries have other short-term lines of credit aggregating $50 million at various interest rates. Information relating to all short-term lines of credit follows:

Dollars in thousands	1999	1998	1997
End of Year			
Amount outstanding	$--	$--	$172
Weighted average interest rate		--	10.4%
During the Year			
Maximum amount outstanding	$--	$28,794	$26,253
Average amount outstanding	$--	$742	11,368
Weighted average interest rate	--	8.5%	6.0%

Based on estimates of interest rates currently available to the Company for loans with similar terms and maturities, the fair value of notes payable and long-term debt approximates the carrying value.

Commitments and Contingencies

The following schedule shows the composition of rent expense for operating leases:

Dollars in thousands	1999	1998	1997
Minimum Rental	$13,935	$13,137	$13,654
Lease Escalation	2,248	2,250	2,188
Less: Sublease Rentals	(60)	(50)	(19)
Total	$16,123	$15,337	$15,823

Future minimum payments under operating leases aggregated $78.3 million at April 30, 1999. Annual payments under these leases are $17.7, $17.4, $17.0, $16.0 and $7.5 million for fiscal years 2000 through 2004, respectively.

The Company is involved in routine litigation in the ordinary course of its business. In the opinion of management, the ultimate resolution of all pending litigation will not have a material effect upon the financial condition or results of operations of the Company.

Segment Information

The Company is a global publisher of print and electronic products, specializing in scientific, technical and medical books and journals; professional and consumer books and subscription services; and text books and educational materials for colleges and universities. The Company has publishing, marketing and distribution centers in the United States, Canada, Europe, Asia and Australia, which service indigenous publications, as well as Company-wide publications. The Company's reportable segments are based on the management reporting structure used to evaluate performance. Segment information was as follows:

Dollars In thousands	1999						
	Domestic Segments			European Segment	Other Segments	Eliminations & Corporate Items	Total
	Scientific, Technical, and Medical	Professional/ Trade	College				
Revenues							
-External Customers	$ 131,132	$ 104,338	$ 84,326	$ 135,008	$ 53,631	$ --	$ 508,435
-Intersegment Sales	7,375	13,587	14,141	11,396	466	(46,965)	--
-Total Revenues	$ 138,507	$ 117,925	$ 98,467	$ 146,404	$ 54,097	$ (46,965)	$ 508,435
Direct Contribution To Profit	$ 59,325	$ 28,048	$ 22,232	$ 42,232	$ 8,846	--	$ 160,683
Shared Services & Admin. Costs							(97,029)
Operating Income							63,654
Interest Expense-Net							(1,609)
Income Before Taxes							$ 62,045
Assets	$ 62,250	$ 87,130	$ 24,107	$ 162,379	$ 17,919	$ 174,767	$ 528,552
Expenditures For Long-Lived Assets	$ 7,826	$ 14,047	$ 6,686	$ 18,906	$ 2,444	$ 3,149	$ 53,058
Depreciation & Amortization	$ 6,664	$ 9,288	$ 7,138	$ 13,061	$ 945	$ 3,459	$ 40,555

Dollars In thousands 1998

	Domestic Segments			European Segment	Other Segments	Eliminations & Corporate Items	Total
	Scientific, Technical, and Medical	Professional/ Trade	College				
Revenues							
-External Customers	$ 123,080	$ 90,564	$ 76,317	$ 122,385	$ 54,735	$ --	$ 467,081
-Intersegment Sales	6,741	11,701	14,558	11,164	344	(44,508)	--
-Total Revenues	$ 129,821	$ 102,265	$ 90,875	$ 133,549	$ 55,079	($ 44,508)	$ 467,081
Direct Contribution To Profit	$ 55,405	$ 19,881	$ 17,833	$ 37,185	$ 7,679	--	$ 137,983
Shared Services & Admin. Costs							(92,720)
Unusual Items							16,893
Operating Income							62,156
Interest Expense-Net							(4,070)
Income Before Taxes							$ 58,086
Assets	$ 62,103	$ 83,166	$ 32,625	$ 158,933	$ 17,626	$ 152,461	$ 506,914
Expenditures For Long-Lived Assets	$ 12,231	$ 37,128	$ 7,823	$ 8,641	$ 1,068	$ 5,755	$ 72,646
Depreciation & Amortization	$ 5,619	$ 9,152	$ 7,698	$ 11,628	$ 1,034	$ 3,035	$ 38,166

Dollars In thousands	1997						
	Domestic Segments			European Segment	Other Segments	Eliminations & Corporate Items	Total
	Scientific, Technical, and Medical	Professional/ Trade	College				
Revenues							
-External Customers	$ 111,873	$ 83,896	$ 70,144	$ 110,879	$ 55,182	$ --	$ 431,974
-Intersegment Sales	6,466	11,863	13,140	5,995	320	(37,784)	--
-Total Revenues	$ 118,339	$ 95,759	$ 83,284	$ 116,874	$ 55,502	($ 37,784)	$ 431,974
Direct Contribution To Profit	$ 51,208	$ 13,408	$ 13,580	$ 32,929	$ 11,204	--	$ 122,329
Shared Services & Admin. Costs							(87,532)
Operating Income							34,797
Interest Expense-Net							(3,944)
Income Before Taxes							$ 30,853
Assets	$ 53,794	$ 70,147	$ 37,079	$ 165,997	$ 21,118	$ 109,809	$ 457,944
Expenditures For Long-Lived Assets	$ 9,197	$ 13,356	$ 7,159	$ 105,045	$ 1,583	$ 1,974	$ 138,314
Depreciation & Amortization	$ 4,159	$ 8,244	$ 8,233	$ 8,858	$ 989	$ 3,781	$ 34,264

Intersegment sales are generally made at a fixed discount from list price. Shared services and administrative costs include costs for such services as information technology, distribution, occupancy, human resources, finance and administration. These costs are not allocated as they support the Company's worldwide operations. Corporate assets primarily consist of cash and cash equivalents, deferred tax benefits, and certain property and equipment. Unusual items amounting to $16,893 in 1998 relate to the gain on the sale of the domestic law publishing program, net of a write-down of certain intangible assets and other items. Export sales from the United States to unaffiliated international customers amounted to approximately $60.5, $56.5 and $51.4 million in 1999, 1998, and 1997, respectively. The pretax income for consolidated international operations was approximately $17.3, $14.1, $16.5 million in 1999, 1998, and 1997, respectively.

Worldwide revenues for the Company's core product lines were as follows:

Dollars in thousands	Revenues		
	1999	1998	1997
Scientific, Technical, and Medical	$232,594	$217,331	$199,206
Professional/Trade	156,713	137,270	126,899
Educational	119,128	112,480	105,869
Total	$508,435	$467,081	$431,974

Revenues from external customers and long-lived assets by geographic area were as follows:

Dollars in thousands	Revenues			Long-Lived Assets		
	1999	1998	1997	1999	1998	1997
Domestic	$278,783	$253,429	$229,990	$121,643	$123,609	$104,498
International	229,652	213,652	201,984	137,938	130,102	136,307
Total	$508,435	$467,081	$431,974	$259,581	$253,711	$240,805

Retirement Plans

The Company and its principal subsidiaries have contributory and noncontributory retirement plans that cover substantially all employees. The plans generally provide for employee retirement between the ages of 60 to 65 and benefits based on length of service and final average compensation, as defined.

The Company has agreements with certain officers and senior management personnel that provide for the payment of supplemental retirement benefits during each of the 10 years after the termination of employment. Under certain circumstances, including a change of control as defined, the payment of such amounts could be accelerated on a present value basis.

The Company provides life insurance and health care benefits, subject to certain dollar limitations and retiree contributions, for substantially all of its retired domestic employees. The cost of such benefits is expensed over the years that the employees render service and is funded on a pay-as-you-go, cash basis. The accumulated postretirement benefit obligation amounted to $.3 million at April 30, 1999 and 1998, and the amount expensed in fiscal 1999 and prior years was not material.

The components of net pension expense for the defined benefit plans were as follows:

Dollars in thousands	1999	1998	1997
Service Cost	$ 4,960	$ 3,913	$ 3,372
Interest Cost	6,498	5,883	5,168
Expected Return on Plan Assets	(6,684)	(5,460)	(5,039)
Net Amortization of Prior Service Cost	356	355	294
Net Amortization of Unrecognized Transition Asset	(850)	(852)	(849)
Recognized Net Actuarial Gain	(157)	(59)	(62)
Net Pension Expense	$ 4,123	3,780	2,884

In fiscal 1999, the domestic plan was amended to provide that final average compensation be based on the highest three consecutive years ended December 31, 1995. The Company may, but is not required to, update from time to time the ending date for the three-year period used to determine final average compensation. The amendment had the effect of increasing pension expense for fiscal 1999 by $.2 million. The net pension expense included above for the international plans amounted to approximately $2.6, $2.1 and $1.5 million for 1999, 1998, and 1997, respectively.

The following table sets forth the changes in and the status of the plans' assets and benefit obligations. The unfunded plans primarily relate to a non-U.S. subsidiary, which is governed by local statutory requirements, and the domestic supplemental retirement plans for certain officers and senior management personnel.

	1999		1998	
Dollars in thousands	Assets Exceed Accumulated Benefits	Accumulated Benefits Assets	Assets Exceed Accumulated Benefits	Accumulated Benefits Assets
Plan Assets				
Fair Value, beginning of year	$ 84,262	$ --	$ 68,385	$ --
Actual Return on Plan Assets	9,780	--	16,411	--
Employer Contributions	1,866	--	1,610	--
Participants' Contributions	227	--	2	--
Benefits Paid	(2,621)	--	(2,587)	--
Foreign Currency Rate Changes	(1,125)	--	441	--
Fair Value, end of year	$ 92,389	$ --	$ 84,262	$ --
Benefit Obligation				
Balance, beginning of year	$(63,429)	$(20,506)	$(57,226)	$(19,895)
Service Cost	(4,122)	(838)	(3,172)	(741)
Interest Cost	(5,057)	(1,441)	(4,547)	(1,336)
Amendments	(1,748)	--	(879)	--
Actuarial Loss/(Gain)	(4,133)	(1,902)	--	(241)
Benefits paid	2,621	963	2,587	1,100
Foreign Currency Rate Changes	915	382	(192)	607
Balance, end of year	$(74,953)	$(23,342)	$(63,429)	$(20,506)
Funded Status - Excess (Deficit)	17,436	(23,342)	20,833	(20,506)
Unrecognized Net Transition Asset	(1,928)	--	(2,907)	--
Unrecognized Net Actuarial Loss (Gain)	(16,800)	2,630	(18,738)	1,639
Unrecognized Prior Service Cost	3,830	1,085	2,401	593
Net Prepaid (Accrued) Pension Cost	$ 2,538	$(19,627)	$ 1,589	$(18,274)

The weighted average assumption used in determining these amounts were as follows:

Discount Rate	7.2%	6.8%	7.9%	7.0%
Expected Return On Plan Assets	8.0%	-%	8.0%	-%
Rate of Compensation Increase	2.3%	4.8%	2.5%	4.8%

Stock Compensation Plans

Under the Company's Key Employee Stock Plan, qualified employees are eligible to receive awards that may include stock options, performance stock awards, and restricted stock awards up to a maximum per year of 3% of Class A stock outstanding and subject to an overall maximum of 8,000,000 shares through the year 2000. As of April 30, 1999, approximately 1,274,432 shares were available for future grants.

Options granted under the plan may not be less than 100% of the fair market value of the stock at the date of grant. Options are exercisable, in part or in full, over a maximum period of 10 years from the date of grant, and generally vest within five years from the date of the grant. Under certain circumstances relating to a change of control, as defined, the right to exercise options outstanding could be accelerated.

The Company elected to apply the disclosure-only provisions of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation cost is recognized for fixed stock option grants. Had compensation cost been recognized, net income would have been reduced on a pro forma basis by $1.1 million, or $.02 per diluted share, in 1999; $.6 million, or $.01 per diluted share, in 1998; and $.4 million, or $.01 per diluted share, in 1997. For the pro forma calculations, the fair value of each option grant was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions for 1999, 1998, and 1997: risk-free interest rate of 5.6%, 6.5%, and 7.1%, respectively; dividend yield of 1.2%, 1.3%, and 1.5%, respectively; volatility of 23.2% 18.1%, and 22.0%, respectively; and expected life of nine years for all years.

A summary of the activity and status of the Company's stock option plans follows:

	1999		1998		1997	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
Outstanding at beginning of year	4,207,636	5.18	4,167,756	4.47	4,114,652	3.84
Granted	958,636	13.88	598,712	8.63	573,396	7.59
Exercised	(345,388)	3.26	(550,332)	3.53	(429,292)	2.71
Canceled	-	-	(8,500)	6.47	(91,000)	4.31
Outstanding at end of year	4,820,884	7.04	4,207,636	5.18	4,167,756	4.47
Exercisable at end of year	2,578,964	4.05	2,162,272	3.38	2,415,764	3.05

The weighted average fair value of options granted during the year was $5.25, $3.17 and $3.01 in 1999, 1998 and 1997, respectively.

A summary of information about stock options outstanding and options exercisable at April 30, 1999, follows:

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Number Of Options	Weighted Average Remaining Term	Weighted Average Exercise Price	Number Of Options	Average Exercise Price
$ 1.97 to $ 3.06	1,456,748	2.5 years	$ 2.54	1,456,748	$2.54
$ 5.17	642,168	5.1 years	$ 5.17	622,836	$5.17
$ 6.56 to $ 14.59	2,721,968	7.8 years	$ 9.90	499,380	$7.09
Total	4,820,884	5.9 years	$ 7.04	2,578,964	$4.05

Under the terms of the Company's executive long-term incentive plans, upon the achievement of certain three-year financial performance-based targets, awards will be payable in restricted shares of the Company's Class A Common stock. The restricted shares vest equally as to 50% on the first and second anniversary date after the date the award is earned. Compensation expense is charged to earnings over the respective three-year period. In addition, the Company granted restricted shares of the Company's Class A Common stock to key executive officers and others in connection with their employment. The restricted shares generally vest one-third at the end of the third, fourth, and fifth years, respectively, following the date of the grant. Under certain circumstances relating to a change of control or termination, as defined, the restrictions would lapse and shares would vest earlier. Compensation expense is charged to earnings ratably over five years, or sooner if vesting is accelerated, from the dates of grant. Restricted shares issued in connection with the above plans amounted to 114,400, 153,948 and 102,552 shares at weighted-average grant-date fair values of $14.55, $8.40 and, $7.25 per share in 1999, 1998, and 1997, respectively. Compensation expense charged to earnings for the above amounted to $3.0, $2.6 million, and $1.5 million in 1999, 1998, and 1997, respectively.

Under the terms of the Company's Director Stock Plan, each member of the Board of Directors who is not an employee of the Company is awarded Class A Common stock equal to 50% of the board member's annual cash compensation, based on the market value of the stock on the date of the shareholders' meeting. Directors may also elect to receive all or a portion of their cash compensation in stock. Under this plan 15,884, 28,196 and 41,096 shares were issued in 1999, 1998, and 1997, respectively. Compensation expense related to this plan amounted to approximately $.5 million, $.3 million, and $.3 million in 1999, 1998, and 1997, respectively.

Capital Stock and Changes in Capital Accounts

Preferred stock consists of 2,000,000 authorized shares with $1 par value. To date, no preferred shares have been issued. Common stock consists of 90,000,000 authorized shares of Class A Common, $1 par value, and 36,000,000 authorized shares of Class B Common, $1 par value.

Each share of the Company's Class B Common stock is convertible into one share of Class A Common stock. The holders of Class A stock are entitled to elect 30% of the entire Board of Directors and the holders of Class B stock are entitled to elect the remainder. On all other matters, each share of Class A stock is entitled to one-tenth of one vote and each share of Class B stock is entitled to one vote.

In fiscal 1999, the Company completed its existing stock repurchase program for up to 4 million shares, and announced a new stock repurchase program for up to an additional 4 million shares of its Class A common stock. The shares will be purchased from time to time in the open market and through privately negotiated transactions. To date through April 30, 1999, the Company has repurchased 270,000 shares for a cost of approximately $5.5 million under the new program.

Accumulated other comprehensive income balances consist solely of cumulative foreign currency translation adjustments.

Changes in selected capital accounts were as follows:

Dollars in thousands	Common Stock Class A	Common Stock Class B	Additional Paid-in Capital	Treasury Stock
Balance at May 1, 1996	$ 16,412	$ 4,086	$ 31,615	$(33,493)
Director Stock Plan Issuance	--	--	217	85
Executive Long-Term Incentive Plan Issuance	--	--	132	47
Purchase of Treasury Shares	--	--	--	(10,506)
Restricted Share Issuance	--	--	337	149
Issuance of Shares Under Employee Savings Plan	--	--	212	84
Exercise of Stock Options	108	--	1,056	--
Other	49	(49)	763	4
Retroactive Effect of Two 2-For-1 Stock Splits	49,707	12,111	(34,332)	--
Balance at May 1, 1997	$ 66,276	$ 16,148	$ 0	$(43,630)
Director Stock Plan Issuance	--	--	217	67
Executive Long-Term Incentive Plan Issuance	--	--	192	73
Purchase of Treasury Shares	--	--	--	(4,281)
Restricted Share Issuance	--	--	1,862	270
Issuance of Shares Under Employee Savings Plan	--	--	316	101
Exercise of Stock Options	551	--	3,037	(99)
Other	279	(279)	--	--
Balance at May 1, 1998	$ 67,106	$ 15,869	$ 5,624	$(47,499)
Director Stock Plan Issuance	--	--	207	46
Executive Long-Term Incentive Plan Issuance	--	--	233	52
Purchase of Treasury Shares	--	--	--	(38,549)
Restricted Share Issuance	--	--	2,754	349
Issuance of Shares Under Employee Savings Plan	--	--	461	86
Exercise of Stock Options	215	--	3,766	373
Other	227	(227)	--	--
Balance at April 30, 1999	$ 67,548	$ 15,642	$ 13,045	$(85,142)

Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations:
Fiscal 1999 Compared to Fiscal 1998

The Company registered another year of strong earnings growth and margin improvement through a combination of revenue gains and cost containment measures.

Revenues for the year increased 9% to $508.4 million reflecting improvement in all the Company's core businesses. Professional / trade publishing worldwide revenues advanced 14% over the prior year driven by volume growth attributable to a strong frontlist and backlist as well as increased sales through online accounts. Scientific, technical and medical publishing worldwide revenues increased 7% primarily related to the journal publishing programs. Worldwide educational revenues advanced 6%, led by an 8% increase in the domestic college division as a result of market share gains attributable to a strong frontlist.

Cost of sales as a percentage of revenues was 34.2% in 1999 compared with 35.1% in the prior year, primarily reflecting lower paper, printing and binding costs.

Operating and administrative expenses increased 4.5% over the prior year. Expenses as a percentage of revenues declined to 51.4%, compared with 53.5% in the prior year, as the rate of growth in expenses was contained at less than the revenue growth rate.

Operating income increased 41% over the prior year, excluding the unusual items pre-tax gain in the prior year of $16.9 million. The operating income margin reached 12.5% compared with 9.7% in the prior year.

Interest income increased by $1.9 million due to higher cash balances compared with the prior year.

The effective tax rate was 36% compared with 37% in the prior year.

Net income increased 48% to 39.7 million, excluding the unusual items net gain of $9.7 million after taxes in the prior year.

Results of Operations:
Fiscal 1998 Compared to Fiscal 1997

The Company continued to grow and strengthen its core businesses. In fiscal 1998, the Company sold its domestic law publishing program for $26.5 million, and reinvested the proceeds by acquiring the publishing assets of Van Nostrand Reinhold (VNR) for $28.5 million in cash. The domestic law program had limited potential for the Company. VNR reinforced the Company's strong position in four core subject areas: architecture / design, environmental / industrial science, culinary arts / hospitality, and business technology.

Fiscal 1998 income includes unusual items amounting to a pre-tax gain of $16.9 million, or $9.7 million after taxes, equal to $0.14 per diluted share, relating to the gain on the sale of the domestic law publishing program, net of a write-down of certain intangible assets and other items.

Revenues increased 8% over the prior year to $467.1 million reflecting improvement in all of the Company's core businesses. Worldwide revenue increases over the prior year included 9% for scientific, technical, and medical publishing; 8% for professional/trade publishing; and 6% for educational publishing, led by the domestic college division, which increased 9%. The strong U.S. dollar depressed revenues in some of the Company's overseas markets.

Cost of sales as a percentage of revenues was 35.1% in 1998 compared with 35.9% in the prior year primarily reflecting lower inventory obsolescence provisions in the current year.

Operating and administrative expenses increased 6.9% over the prior year. Expenses as a percentage of revenues declined to 53.5%, compared with 54.1% in the prior year, as the rate of growth in expenses was contained at less than the revenue growth rate.

Operating income excluding the unusual items mentioned above increased 30% over the prior year to $45.3 million. Operating income margins increased to 9.7% of revenue from 8.1% in the prior year, primarily due to the effects of the higher revenue base and lower operating expenses as a percentage of revenues. Operating income was adversely affected by weakness in the Company's Asian markets due to the economic downturn in that region.

Interest expense increased by $1.7 million reflecting a full year of financing costs related to VCH, which was acquired during fiscal 1997. Interest income increased by $1.6 million primarily as a result of higher cash balances compared with the prior year.

The effective tax rate was 37.0% compared with 34.1% in the prior year primarily reflecting the higher incremental tax rate on the unusual items gain.

Net income, excluding the unusual items net gain of $9.7 million after taxes, increased 32% to $26.9 million.

Liquidity and Capital Resources

The Company's cash and cash equivalents balance was $149.0 million at the end of fiscal 1999, compared with $127.4 million at the end of the prior year. Cash provided by operating activities was $117.9 million in fiscal 1999, an increase of $13.8 million compared with the prior year.

The Company's operating cash flow is strongly affected by the seasonality of its domestic college business and receipts from its journal subscriptions. Receipts from journal subscriptions occur primarily during November and December from companies commonly referred to as independent subscription agents. These companies facilitate the journal ordering process by consolidating the subscription orders/billings of each subscriber with various publishers. Monies are collected in advance from subscribers by the subscription agents and are remitted to the Company, generally prior to the commencement of the subscriptions. Although at fiscal year-end, the Company had minimal credit risk exposure to these agents, future calendar year subscription receipts from these agents are highly dependent on their financial position and liquidity. Subscription agents account for approximately 28% of total consolidated revenues and no one agent accounts for more than 6% of total consolidated revenues.

Sales to the domestic college market tend to be concentrated in June through August, and again in November through January. The Company normally requires increased funds for working capital from the beginning of the fiscal year into September. Subject to variations that may be caused by fluctuations in inventory accumulation or in patterns of customer payments, the Company's normal operating cash flow is not expected to vary materially in the near term.

To finance its short-term seasonal working capital requirements and its growth opportunities, the Company has adequate cash and cash equivalents available, as well as both domestic and foreign short-term lines of credit, as more fully described in the note to the consolidated financial statements entitled "Notes Payable and Debt."

The capital expenditures of the Company consist primarily of investments in product development and property and equipment. Capital expenditures for fiscal 2000 are expected to increase approximately 20% over 1999, primarily representing investments in product development, including electronic media products, and computer equipment upgrades to support the higher volume of business to ensure efficient, quality-driven customer service. These investments will be funded primarily from internal cash generation or from the liquidation of cash equivalents.

Market Risk

The Company is exposed to market risk primarily related to interest rates and foreign exchange. It is the Company's policy to monitor these exposures and to use derivative financial investments from time to time to reduce fluctuations in earnings and cash flows when it is deemed appropriate to do so. The Company does not use derivative financial investments for trading or speculative purposes.

Interest Rates

The Company had a $125 million variable rate term loan outstanding at April 30, 1999 and 1998, which approximated fair value. The Company did not use any derivative financial investments to manage this exposure. A hypothetical 10% adverse change in interest rates for this variable rate debt would negatively affect net income and cash flow by approximately $.5 million.

Foreign Exchange Rates

The Company is exposed to foreign exchange movements primarily in European, Asian, Canadian and Australian currencies. Consequently, the Company, from time to time, enters into forward exchange contracts as a hedge against its overseas subsidiaries' foreign currency asset, liability, commitment, and anticipated transaction exposures, including intercompany purchases. There were no open foreign exchange contracts at April 30, 1999 or 1998.

Effects of Inflation and Cost Increases

Although the impact of inflation is somewhat minimized as paper prices continued to decline during fiscal 1999 and the business does not require a high level of investment in property and equipment, the Company, from time to time, does experience cost increases reflecting, in part, general inflationary factors. To mitigate the effects of cost increases, the Company has taken a number of initiatives including various steps to lower overall production and manufacturing costs including substitution of paper grades. In addition, selling prices have been selectively increased as competitive conditions permit. The Company anticipates that it will be able to continue this approach in the future.

Year 2000 Issues

The Company has essentially completed the review of its systems and products to determine the extent and impact of the year 2000 issues. Many of the systems are new and were designed to accommodate the year 2000 issue when originally installed. The Company is well along in the process of implementing the needed changes, and systems testing has begun. The Company currently anticipates substantially completing corrective measures and testing of its systems and products by September 30, 1999. The total cost to remedy the situation is currently estimated to be approximately $2.5 million, of which $2.0 million has been expended to date. Subsequent to the fiscal year-end, the Company acquired the Jossey-Bass publishing company and is currently in the process of evaluating the status of the year 2000 remediation efforts at that company.

The Company has communicated with its customers and suppliers and is in the process of assessing how they intend to resolve their year 2000 issues. The Company at this time is not able to form an opinion as to whether its customers or suppliers will be able to resolve their year 2000 issues in a satisfactory and timely manner, or the magnitude of the adverse impact it would have on the Company's operations, if they fail to do so.

Euro Conversion Issues

Effective January 1, 1999, eleven member countries of the European union established fixed conversion rates between their existing legal currencies, the Euro, and adopted the Euro as their common legal currency beginning January 1, 2002.

The Company is in the process of assessing the impact that the conversion to the Euro will have on its operations and the modifications that will be required to its systems. The Company believes that the Euro conversion should not have a material effect on its operations.

* * * * *

The anticipated costs and timing of resolving the year 2000 and Euro issues are based on numerous assumptions and estimates relating to future events including the continued availability and cost of the personnel required to modify the systems, the timely resolution of the third party customer and supplier interface issues, and other similar uncertainties. The Company is in the process of developing contingency plans in the event remediation measures will not be completed on a timely basis.

New Accounting Standards

In March 1998, the American Institute of Certified Public Accountants issued Statement of Position ("SOP") 98-1, "Accounting for the Cost of Computer Software Developed or Obtained for Internal Use", which requires that certain costs incurred in developing or obtaining internal use software be capitalized and amortized over the useful life of the software. The Company will be required to adopt SOP 98-1 beginning next fiscal year and is evaluating the effect this will have on its consolidated financial statements. Currently, the Company expenses most of these costs as incurred. The Financial Accounting Standards Board issued SFAS No. 133 "Accounting for Derivative Instruments and Hedging Activities", which specifies the accounting and disclosure requirements for such instruments, and is effective for the Company's fiscal year beginning on May 1, 2001. It is anticipated that the adoption of this new accounting standard will not have a material effect on the consolidated financial statements of the Company.

"Safe Harbor" Statement under the
Private Securities Litigation Reform Act of 1995

This report contains certain forward-looking statements concerning the Company's operations, performance and financial condition. Reliance should not be placed on forward-looking statements, as actual results may differ materially from those in any forward-looking statements. Any such forward-looking statements are based upon a number of assumptions and estimates that are inherently subject to uncertainties and contingencies, many of which are beyond the control of the Company, and are subject to change based on many important factors. Such factors include, but are not limited to: (i) the pace, acceptance, and level of investment in emerging new electronic technologies and products;
(ii) subscriber renewal rates for the Company's journals; (iii) the consolidation of the retail book trade market; (iv) the seasonal nature of the Company's educational business and the impact of the used book market; (v) the ability of the Company and its customers and suppliers to satisfactorily resolve the year 2000 and Euro issues in a timely manner; (vi) worldwide economic and political conditions; and (vii) other factors detailed from time to time in the Company's filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or revise any such forward-looking statements to reflect subsequent events or circumstances.

Results by Quarter (Unaudited)

John Wiley & Sons, Inc. and Subsidiaries

Dollars in thousands except per share data

	1999	1998
Revenues		
First quarter	$ 122,091	$ 112,086
Second quarter	123,640	115,886
Third quarter	137,976	124,350
Fourth quarter	124,728	114,759
Fiscal year	$ 508,435	$ 467,081
Operating Income		
First quarter	$ 17,066	$ 13,711
Second quarter	15,306	10,326
Third quarter	21,282	31,806 (a)
Fourth quarter	10,000	6,313
Fiscal year	$ 63,654	$ 62,156 (a)
Net Income		
First quarter	$ 10,564	$ 8,082
Second quarter	9,275	5,639
Third quarter	13,358	18,638 (a)
Fourth quarter	6,512	4,229
Fiscal year	$ 39,709	$ 36,588 (a)

Income Per Share	Diluted	Basic	Diluted	Basic
First quarter	$.17	$.16	$.12	$.13
Second quarter	.14	.15	.09	.09
Third quarter	.20	.21	.28 (a)	.30 (a)
Fourth quarter	.10	.11	.06	.07
Fiscal year	.60	.63	.55 (a)	.58 (a)

(a) Fiscal 1998 includes unusual items amounting to a pretax gain of $16,893 or $9,713 after tax, equal to $.14 per diluted share ($.15 per basic share) relating to the gain on the sale of the domestic law publishing program, net of a write-down of certain intangible assets and other items.

Quarterly Share Prices, Dividends and Related Stockholder Matters

The Company's Class A and Class B shares are listed on the New York Stock Exchange under the symbols JWA and JWB, respectively. Dividends per share and the market price range by fiscal quarter for the past two fiscal years were as follows:

	Class A Common Stock			Class B Common Stock		
		Market Price			Market Price	
	Dividends	High	Low	Dividends	High	Low
1999						
First quarter	$.0319	$16.06	$13.31	$.0281	$16.05	$13.33
Second quarter	.0319	18.28	14.07	.0281	18.44	14.25
Third quarter	.0319	24.16	16.63	.0281	24.88	17.66
Fourth quarter	.0319	23.47	19.25	.0281	23.41	19.31
1998						
First quarter	$.0281	$8.63	$7.47	$.0250	$8.75	$7.50
Second quarter	.0281	11.10	7.88	.0250	11.06	7.91
Third quarter	.0281	14.25	11.02	.0250	14.10	11.13
Fourth quarter	.0281	14.00	12.33	.0250	14.00	12.27

As of April 30, 1999, the approximate number of holders of the Company's Class A and Class B Common Stock were 1,262 and 184, respectively, based on the holders of record and other information available to the Company.

The Company's credit agreement contains certain restrictive covenants related to the payment of dividends and share repurchases. Under the most restrictive covenant, approximately $58 million was available for such restricted payments. Subject to the foregoing, the Board of Directors considers quarterly the payment of cash dividends based upon its review of earnings, the financial position of the Company, and other relevant factors.

Selected Financial Data

John Wiley & Sons, Inc. and Subsidiaries
Dollars in thousands except per share data

	For the years ended April 30				
	1999	1998	1997	1996	1995
Revenues	$508,435	$467,081	$431,974	$362,704	$331,091
Operating Income	63,654	62,156 (a)	34,797	32,955	26,879
Net Income	39,709	36,588 (a)	20,340	24,680 (b)	18,311
Working Capital	60,870	59,257	39,783	31,515	11,241
Total Assets	528,552	506,914	457,944	284,501	247,481
Long-Term Debt	125,000	125,000	125,000	--	--
Shareholders' Equity	162,212	160,751	128,983	117,982	98,832
Per Share Data					
Income Per Share					
Diluted	.60	.55 (a)	.31	.37 (b)	.28
Basic	.63	.58 (a)	.32	.39 (b)	.29
Cash Dividends					
Class A Common	.1275	.11	.1000	.08	.0775
Class B Common	.1125	.10	.0875	.07	.0688
Book Value-End of Year	2.60	2.51	2.03	1.83	1.55

(a) Fiscal 1998 includes unusual items amounting to a pretax gain of $16,893 or $9,713 after tax, equal to $.14 per diluted share ($.15 per basic share) relating to the gain on the sale of the domestic law publishing program, net of a write-down of certain intangible assets and other items. Excluding the unusual items, operating income would have been $45,263 and net income would have been $26,875, or $.41 per diluted share and $.43 per basic share.

(b) Fiscal 1996 net income includes interest income after taxes of $2.6 million, or $.04 per diluted and basic share, received on the favorable resolution of amended tax return claims.

Schedule II

JOHN WILEY & SONS, INC. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED APRIL 30, 1999, 1998 AND 1997

(Dollars in Thousands)

Description	Balance at Beginning of Period	Additions: Charged to Cost & Expenses	Additions: From Acquisitions	Deductions From Reserves	Balance at End of Period
Year Ended April 30, 1999					
Allowance for sales returns(1)	$33,411	$34,213	$ --	$33,411	$34,213
Allowance for doubtful accounts	$ 8,165	$ 2,053	$ --	$ 2,607(2)	$ 7,611
Year Ended April 30, 1998					
Allowance for sales returns(1)	$27,099	$32,945	$ --	$26,633	$33,411
Allowance for doubtful accounts	$ 7,414	$ 3,445	$ --	$ 2,694(2)	$ 8,165
Year Ended April 30, 1997					
Allowance for sales returns(1)	$20,786	$26,396	$ 357	$20,440	$27,099
Allowance for doubtful accounts	$ 6,049	$ 2,591	$ 1,548	$ 2,774(2)	$ 7,414

(1) Allowance for sales returns represents anticipated returns net of inventory and royalty costs.

(2) Accounts written off, less recoveries.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

JOHN WILEY & SONS, INC.
(Company)

By: /s/ William J. Pesce
William J. Pesce
President and Chief Executive Officer

By: /s/ Robert D. Wilder
Robert D. Wilder
Executive Vice President and Chief Financial & Support Operations Officer

By: /s/ Peter W. Clifford
Peter W. Clifford
Senior Vice President, Finance Corporate Controller & Chief Accounting Officer

Dated: June 24, 1999

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons constituting directors of the Company on June 24, 1999.

/s/ Warren J. Baker --------------------------- *Warren J. Baker*	*/s/ William J. Pesce* --------------------------- *William J. Pesce*
s/ H. Allen Fernald --------------------------- *H. Allen Fernald*	*/s/ William R. Sutherland* --------------------------- *William R. Sutherland*
--------------------------- *Gary J. Fernandes*	---------------------------- *Thomas M. Taylor*
/s/ Larry Franklin --------------------------- *Larry Franklin*	*/s/ Bradford Wiley II* ---------------------------- *Bradford Wiley II*
/s/ Henry A. McKinnell, Jr. --------------------------- *Henry A. McKinnell, Jr.*	*/s/ Peter Booth Wiley* ---------------------------- *Peter Booth Wiley*

Exhibit - 10.11

JOHN WILEY & SONS, INC.

FY 1999 EXECUTIVE LONG TERM INCENTIVE PLAN

PLAN DOCUMENT

CONFIDENTIAL

MAY 1, 1998

CONTENTS

Section Subject Page
I Definitions 2 II Plan Objectives 4 III Eligibility 4 IV Incentive 4
V Performance Measurement and Objectives 4 VI Performance Evaluation 5 VII Payouts 6 VIII Restricted Performance Shares 7 IX Stock Option 9
X Administration and Other Matters 9

I. DEFINITIONS

Following are definitions for words and phrases used in this document. Unless the context clearly indicates otherwise, these words and phrases are considered to be defined terms and appear in this document in italicized print:

company - John Wiley & Sons, Inc.

plan - The company's FY (Fiscal Year) 1999 Executive Long Term Incentive Plan as set forth in this document.

shareholder plan - The company's 1991 Key Employee Stock Plan.

plan cycle - The three year period from May 1, 1998 to April 30, 2001.

Governance and Compensation Committee (GCC) - The committee of the company's Board of Directors (Board) responsible for reviewing executive compensation.

financial goals - The company's objectives to achieve specific financial results in terms of cash flow and earnings per share as defined below, for the plan cycle, including interim revised financial goals, if any, as determined by the GCC and the Board, and confirmed in writing.

financial results - The company's actual achievement against the financial goals set for the plan cycle, as reflected in the company's audited financial statements.

participant - Any person who is eligible and is selected to participate in the plan, as defined in Section III.

target incentive - The target incentive as determined and authorized by the GCC at the committee meeting held on June 24, 1998 is a restricted performance shares award, which represents the number of restricted performance shares that a participant is eligible to receive if 100% of his/her applicable financial goals are achieved and the participant remains an employee of the company through April 30, 2003, except as otherwise provided in Section VIII. The target incentive is based on the participant's position and is described in Section IV.

stock - Class A Common Stock of the company.

restricted performance shares - Stock issued pursuant to this plan and the shareholder plan that is subject to forfeiture. In the shareholder plan, such stock is referred to as "Restricted Stock." The value of each share of restricted performance shares under this plan will be determined by reference to the stock closing sale price, as reported by New York Stock Exchange (NYSE), on the date the GCC acts at the beginning of the plan cycle (June 24, 1998). In the event the stock is not traded on June 24, 1998 or the date the GCC acts, whichever is later, the closing sales price shall be the price of the stock on the next day after June 24, 1998 or the date the GCC acts on which the stock trades.

restricted period - The period during which the shares of restricted performance shares shall be subject to forfeiture in whole or in part, as defined in the shareholder plan, in accordance with the terms of the award.

plan end adjusted restricted performance shares award - The final amount of restricted performance shares awarded to a participant at the end of the plan cycle after adjustments, if any, are made, as set forth in Section VIII.

stock option - A right granted to a participant, as more fully described under
Section IX, to purchase a specific number of shares of stock at a specified price. The stock option granted under this plan will be non-qualified (i.e. is not intended to comply with the terms and conditions for a tax-qualified option, as set forth in Section 422A of the Internal Revenue Code of 1986).

grant date - The date on which a participant is granted the stock option. This is also the date on which the exercise price of the stock option is based.

payout amount - Cash, if any, plus plan end adjusted restricted performance shares award, as set forth in Section VIII, to a participant under this plan, if any, for achievement of the financial goals, as further discussed in this plan.

performance levels

threshold - The minimum acceptable level of achievement for each financial goal. If threshold performance is achieved against all company financial goals, a participant may earn 25% of the target incentive amount for which he/she is eligible. If threshold performance is achieved against all divisional financial goals, a participant may earn 25% of the target incentive amount for which he/she is eligible.

target - Achievement in aggregate of the financial goals. Each individual financial goal is set at a level which is both challenging and achievable.

outstanding - Superior achievement of the financial goals. If outstanding performance is achieved against all financial goals, the maximum amount a participant may earn is 200% of the target incentive amount for which he/she is eligible.

payout factor - The percentage of financial goals deemed achieved applied to the target incentive amount, exclusive of the stock option portion, if any, to determine the payout amount.

cash flow - Net income, excluding unusual items not related to the period being measured, plus/minus any non-cash items included in net income and changes in operating assets and liabilities, minus normal investments in product development assets and property and equipment for the final year of the plan cycle.

earnings per share - Earnings per share, as reported in the company's annual report for the final year of the plan cycle.

divisional operating income - Operating income before allocations for corporate support services and taxes, excluding the effects of any unusual activity, for the final year of the plan cycle.

divisional cash flow - Operating income before allocations and taxes, excluding unusual items not related to the period being measured, plus/minus any non-cash items included in divisional operating income (other than provisions for bad debts), and changes in controllable assets and liabilities, less normal investments in product development assets and direct property and equipment additions, for the final year of the plan cycle. Controllable assets and liabilities are inventory, composition, author advances, other deferred publication costs, and deferred subscription revenues.

II. PLAN OBJECTIVES

The purpose of this plan is to enable the company to reinforce and sustain a culture devoted to excellent performance, emphasize long term financial performance at the corporate and division levels, reward significant contributions to the success of the company, attract and retain highly qualified executives, and provide an opportunity for each participant to acquire equity in the company.

III. ELIGIBILITY

The participant is selected by the GCC in its sole discretion, from among those employees in key management positions deemed able to make the most significant contributions to the growth and profitability of the company. An employee must be a participant of the FY 1999 Executive Annual Incentive Plan to be eligible to participate in this plan. The President and CEO of the company is a participant.

IV. INCENTIVE

A. The participant's target incentive is determined based on the participant's position in the company and the contributions the position is deemed able to make in achieving the financial goals of the company.

B. The participant's target incentive is recommended by the President and CEO to the GCC for its and the Board's approval. In the case of the President and CEO, the target incentive is recommended by the GCC for the Board's approval.

V. PERFORMANCE MEASUREMENT AND OBJECTIVES

A. The objectives for the financial goals are recommended by the GCC to the Board for its approval. The financial goals performance objectives are set at a level which are challenging and achievable.

B. Financial goals established for each participant may include one or more organizational level's financial goals (e.g., company and division), and one or more financial goals for a particular organizational unit (e.g., divisional cash flow, divisional operating income). The weighting of and between the organizational levels' financial goals may vary, depending upon the participant's position. Weighting of the participant's financial goals is recommended by the President and CEO to the GCC. In the case of the President and CEO, the financial goals are cash flow and earnings per share.

C. Threshold, target and outstanding performance levels for the financial goals are recommended by the President and CEO for approval by the GCC, and the Board.

VI. PERFORMANCE EVALUATION

A. Financial Results

1. Actual financial results achieved by the company and by each division will be calculated at the end of the plan cycle, subject to adjustment for audited results, and will be compared with the previously set financial goals.

2. The financial results will be reviewed by the President and CEO to determine proposed payout factors for the company and for the divisions.

3. The President and CEO will provide to the GCC a view of the company's achievement of its financial goals, as well as divisional achievement of like objectives, if any, and will recommend payout factors to be used for the company and divisional objectives.

B. Award Determination

1. At least threshold performance, in aggregate, of a participant's particular organizational level's objectives is necessary for the participant to receive a payout for the particular organizational level. However, once the overall threshold is achieved for any single measure the non-achievement of any one particular goal's target objective does not preclude a payout.

2. The determination of the performance level achievement (threshold, target and outstanding, or points in between) for each organizational level's financial goals will be made independently of any other organizational level's financial goals a participant may have.

3. If the participant has more than one organizational level's financial goals, the non-achievement of a threshold performance level of one organizational level's financial goals does not preclude a payout for the other organizational level's financial goals.

4. The following details the effect of the financial results performance levels on a participant's payout amount. The actual payout factors will be in the sole judgment and discretion of the GCC, taking into account the following guidelines:

a. For below threshold performance in aggregate, the payout amount is zero.

b. For threshold performance in aggregate, 25% of the target incentive may be recommended.

c. For between threshold and target performance in aggregate, at minimum 25% of the target incentive and up to 100% of the target incentive may be recommended.

d. For target performance in aggregate, 100% of the target incentive may be recommended.

e. For between target and outstanding performance in aggregate, at minimum 100% of the target incentive and up to 200% of the target incentive may be recommended.

f. For outstanding performance in aggregate, 200% of the target incentive may be recommended.

5. Notwithstanding anything to the contrary, the maximum payout amount, if any, a participant may receive is 200% of the target incentive.

VII PAYOUTS

A. The restricted performance shares payout amount, if any, will be made as set forth in Section VIII below. The determination by the GCC of plan end adjusted restricted performance shares shall constitute payout of this portion of the award.

B. The GCC, in its sole discretion, may direct that the payout be made wholly or partly in cash.

C. The GCC, in its sole discretion, may direct that the number of restricted performance shares for a participant be increased or decreased, based on changed responsibilities for the participant during the plan cycle.

D. In the event of a participant's death, permanent disability, retirement or leave of absence prior to the end of the plan cycle, restricted performance shares awarded at the beginning of the plan cycle, if any, are forfeited, and the payout amount, if any, will be determined by the GCC in its sole discretion.

E. A participant who resigns, or whose employment is terminated by the company, with or without cause, prior to the end of the plan cycle, is not eligible for a payout amount and shall forfeit any restricted performance shares awarded at the beginning of the plan cycle.

VIII. RESTRICTED PERFORMANCE SHARES AWARD PROVISIONS

A. Since one of the objectives of this plan is to provide the participant with an equity stake in the company and align management and shareholder interests, the target incentive will be awarded as restricted performance shares.

B. Restricted performance shares, if any, shall be awarded at the beginning of the plan cycle, after the June 24, 1998 GCC meeting. The amount of restricted performance shares awarded shall be based on the proportion of the target incentive allocated to restricted performance shares, as determined by the GCC. The value of each share will be determined based on the stock closing sale price, as reported by the NYSE, on the date the GCC acts at the beginning of the plan cycle (June 24, 1998). In the event the stock is not traded on June 24, 1998 or the date the GCC acts, whichever is later, the closing sales price shall be the price of the stock on the next day after June 24, 1998 or the date the GCC acts on which the stock trades, whichever is later. The restricted performance shares awarded at the beginning of the plan cycle are subject to adjustment at the end of the plan cycle as set forth in Sections VIII (C) and (D) below. Restricted performance shares, if any, shall be awarded pursuant to the shareholder plan, as approved by the GCC. In addition to the terms and conditions set forth in the shareholder plan and Section VII (D) and (E) below, the following conditions shall apply:

1. During the plan cycle, the participant shall not have the right to receive dividends or other distributions with respect to restricted performance shares received at the beginning of the plan cycle and shall not have the right to vote such shares. After the end of the plan cycle, and after all adjustments to the amount of restricted performance shares are made by the GCC as set forth in Section VII(D) and (E) below, the participant shall have the right to receive dividends or other distributions with respect to the final amount of restricted performance shares issued and shall have the right to vote such shares. The date on which the dividend and voting rights shall commence is the date on which the GCC makes its determination of the final number of restricted performance shares awarded after the plan cycle ends pursuant to Section VII(D) and (E) below.

2. During the restricted period, the restricted performance shares may not be sold or transferred. Restricted performance shares shall be legended and held by the Company.

3. Withholding taxes relating to restricted performance shares awarded may be satisfied by surrendering shares to the company, in lieu of cash, upon lapse of the restrictions.

4. The restricted period for restricted performance shares awarded shall be as follows: subject to continued employment except as otherwise set forth in the shareholder plan or Sections VII and VIII of this plan, the lapse of restrictions on one-half of the restricted performance shares awarded will occur on the first anniversary (April 30, 2002) of the plan end date at which time the participant will receive a new stock certificate in a number of shares equal to one-half of the restricted performance shares awarded with the restrictive legend deleted, and the lapse of restrictions on the remaining half will occur on the second anniversary (April 30, 2003) of the plan end date at which time the participant will receive a new stock certificate in a number of shares equal to the remaining half with the restrictive legend deleted.

5. If the participant dies or becomes permanently disabled during the restricted period, the restrictions on the restricted performance shares will lapse on the date of such event.

6. If the participant retires during the restricted period at or after his/her normal retirement date, the restrictions on the restricted performance shares will lapse on the date of such event.

7. If the participant takes early retirement during the restricted period, the restrictions on the restricted performance shares will not lapse until the restricted period expires. If the participant dies between the time the participant takes early retirement and the end of the restricted period (April 30, 2003), the lapse of restrictions on the restricted performance shares will occur on the date of such event.

8. The restricted performance shares may be adjusted by the GCC for any change in the capital stock of the company, as provided in Section II of the shareholder plan and are in all respects subject to the provisions of that plan.

9. In the event of a change of control, whether before or after the end of the plan cycle, as defined in the shareholder plan, all shares of restricted performance shares which would otherwise remain subject to restrictions under the plan shall be free of such restrictions.

C. The number of shares of restricted performance shares awarded at the beginning of the plan cycle, may be adjusted at the end of the plan cycle based on actual achievement of target objectives.

D. The final amount of restricted performance shares will be determined as follows: The restricted performance shares established by the GCC at the beginning of the plan cycle multiplied times the payout factor equals the number of shares for the plan end adjusted restricted performance shares award. The result of this calculation will be compared to the restricted performance shares awarded at the beginning of the plan cycle, and the appropriate amount of restricted performance shares will be awarded or forfeited, as required, to bring the restricted performance shares award to the number of shares designated as the plan end adjusted restricted performance shares award.

IX. STOCK OPTION

The participant may be granted a stock option pursuant to the shareholder plan at the beginning of the plan cycle, representing another incentive vehicle by which the participant is able to share in the equity growth of the company. The number of shares in the stock option granted to a participant under this plan is based on a set of variables and assumptions, applied consistently to all participants, regarding the monetary value a participant might receive upon exercise of the stock option. The terms and conditions of the award of the stock option are contained in the shareholder plan and in the stock option award. Withholding taxes relating to the gain realized on the exercise of an option may be satisfied by surrendering to the company the equivalent value of the taxes, or a portion thereof, in option shares in lieu of cash.

X. ADMINISTRATION AND OTHER MATTERS

A. This plan will be administered by the GCC, which will have authority in its sole discretion to interpret and administer this plan, including, without limitation, all questions regarding eligibility and status of any participant, and no participant shall have any right to receive any restricted performance shares or payment of any kind whatsoever, except as determined by the GCC hereunder.

B. The company will have no obligation to reserve or otherwise fund in advance any amount which may become payable under the plan.

C. Restricted performance shares, stock options awarded and any cash paid out under this plan shall not be considered as compensation for purposes of defining compensation for retirement, savings or supplemental executive retirement plans, or similar type plans.

D. This plan may not be modified or amended except with the approval of the GCC. Notwithstanding the foregoing, Section VIII B (9) shall not be amended.

E. In the event of a conflict between the provisions of this plan and the provisions of the shareholder plan, the provisions of the shareholder plan

shall apply.

Exhibit - 10.12

JOHN WILEY & SONS, INC.

FY 1999 EXECUTIVE ANNUAL INCENTIVE PLAN

PLAN DOCUMENT

CONFIDENTIAL

MAY 1, 1998

CONTENTS

Section Subject Page
I. Definitions 2
II. Plan Objectives 3
III. Eligibility 3
IV. Performance Objectives and Measurement 3
V. Performance Evaluation 4
VI. Payouts 5
VII. Status Changes 6
VIII. Administration and Other Matters 6

I. DEFINITIONS

Following are definitions for words and phrases used in this document. Unless the context clearly indicates otherwise, these words and phrases are considered to be defined terms and appear in this document in italicized print:

company - John Wiley & Sons, Inc.

plan - The company's FY (Fiscal Year) 1999 Executive Annual Incentive Plan described in this document and any written amendments to this document.

plan year - The twelve month period from May 1, 1998 to April 30, 1999.

Governance and Compensation Committee (GCC) - The committee of the company's Board of Directors (Board) responsible for reviewing executive compensation.

financial goals - A participant's objective to achieve specific financial results for FY 1999, including interim revised financial goals, if any, as approved and communicated in writing, as described in Sections IV and V below.

financial results - Total company or division achievement against financial goals set for FY 1999.

strategic milestone - A participant's objective to achieve specific results for FY 1999, including interim revised strategic milestones, if any, as approved and communicated in writing, as described in Sections IV and V below. Strategic milestones are leading indicators of performance.

participant - Any person who is eligible to and is selected to participate in the plan, as defined in Section III.

base salary - The participant's base salary as of July 1,1998, or the date of hire, or promotion into the plan, if later, adjusted for any increases or decreases during FY 1999, on a prorated basis and adjusted for any amount of time the participant may not be in the plan for reasons of hire, promotion, death, disability, retirement and/or termination.

payout - Actual gross dollar amount paid to a participant under the plan, if any, for achievement of financial goals and strategic milestones, as further discussed in this plan.

target incentive percent - The percent applied to the participant's base salary to determine the target incentive amount.

target incentive amount - The amount, if any, that a participant is eligible to receive if a participant achieves 100% of his/her financial goals and strategic milestones. The incentive for financial goals should constitute at least 70% of the target incentive amount for the participant.

performance levels

threshold - The minimum acceptable level of achievement of each financial goal and strategic milestone. If threshold performance is achieved against all financial goals and strategic milestones, a participant may earn 25% of the target incentive amount for which he/she is eligible.

target - Achievement in aggregate of target financial goals and strategic milestones. Each individual financial goal and strategic milestone is set at a level which is both challenging and achievable.

outstanding - Superior achievement of financial goals and strategic milestones, both in quality and scope, with limited time and resources. If outstanding performance is achieved against all financial goals and strategic milestones, the maximum amount a participant may earn is 175% of the target incentive amount.

payout factor - Percentage of financial goals and strategic milestones deemed achieved, applied to the target incentive amount, used to determine the payout for which a participant is eligible.

II. PLAN OBJECTIVES

The purpose of the FY 1999 Executive Annual Incentive Plan is to enable the company to reinforce and sustain a culture devoted to excellent performance, emphasize performance at the corporate and division levels, reward significant contributions to the success of Wiley, and attract and retain highly qualified executives.

III. ELIGIBILITY

The participant is selected by the President and CEO of the company, from among those employees in key management positions deemed able to make the most significant contributions to the growth and profitability of the company, with the approval of the GCC. The President and CEO of the company is a participant.

IV. PERFORMANCE OBJECTIVES AND MEASUREMENT

The plan employs two categories of objectives for performance measurement:
financial goals and strategic milestones. The weighting of and between the two measures may vary, depending upon the participant's position. Weighting is recommended by the participant's manager and approved by the President and CEO, if the President and CEO is not the participant's manager.

A. Financial Goals

1. Financial goals for the company are determined near the beginning of the plan year by the President and CEO. The President and CEO's goals are reviewed and approved by the Finance Committee of the Board and GCC, and approved by the Board.

2. Financial goals are set for the company as a whole and for each division and may be revised in the interim, as appropriate. The participant will be given specific financial goals, based on an appropriate mix of company and/or division objectives.

3. Financial goals include defining levels of performance (threshold, target and outstanding) and the measures of each.

B. Strategic Milestones

1. Strategic milestones are non-financial individual objectives over which the participant has a large measure of control, which lead to, or are expected to lead to improved performance for the company in the future. Strategic milestones are determined near the beginning of the plan year by the participant, and approved by the participant's manager, if the President and CEO is not the participant's manager.

2. The strategic milestones for the President and CEO are reviewed and approved by the Executive and Policy Committee of the Board and by the Board.

3. The strategic milestones for the President and CEO should be appropriately reflected in those of all other employees at all levels. Each participant collaborates with his/her manager in setting strategic milestones. The strategic milestones may be revised in the interim, as appropriate.

4. The determination of strategic milestones includes defining a target level of performance and the measure of such, and may include defining threshold and outstanding levels of performance and the measures of such.

V. PERFORMANCE EVALUATION

A. Financial Results

1. Actual financial results achieved by the company and by each group and division will be calculated at the end of the plan year, subject to adjustment for audited results, and will be compared with previously set financial goals.

2. Actual financial results will be reviewed by the participant's manager and the President and CEO and a payout factor determined. The payout factor is based on a judgment of the relative importance of financial results and the achievement compared to the financial goals. This payout factor is subject to the review and approval of the President and CEO. The GCC will evaluate the President and CEO's financial results and will recommend to the Board his/her financial results payout factor.

B. Strategic Milestones

1. Achievement of a participant's strategic milestones will be determined at the end of the plan year by comparing results achieved to previously set objectives.

2. Each participant's manager will recommend a payout factor for achievement of all strategic milestones compared with the previously set objectives. In determining the payout factor, the overall performance on all strategic milestones will be considered. This payout factor is subject to the review and approval of the President and CEO, the GCC and the Board. The GCC will recommend to the Board for approval the payout factor for the President and CEO's achievement of his/her strategic milestones based on the GCC's evaluation of his/her achievement compared with the previously set objectives.

C. Award Determination

1. Financial goals, established for each participant, may include one or more organizational level's financial goals (e.g. company and division), and one or more financial goal for a particular organizational unit. At least threshold performance, in aggregate, of a participant's particular organizational level is necessary for the participant to receive a payout for the particular organizational level. However, once the overall threshold is achieved, the non-achievement of any one particular financial goal's target objective does not preclude a payout for all the participant's financial goals.

2. At least threshold performance of a financial goal for any of the operating units for which he/she is responsible is required for a payout of strategic milestones to be made to the participant. The CEO has the right to override this provision if he feels such action is warranted.

3. Payout eligibility will be determined by calculating the amount for achievement of financial goals and strategic milestones and adding the two together, as follows:

EAIP PAYOUT ELIGIBILITY CALCULATION

FINANCIAL RESULTS PAYOUT AMOUNT

Base Salary X Target Incentive Percent

X Weighting of Financial Goals X Payout Factor

= Financial Goals Payout Eligibility

STRATEGIC MILESTONES PAYOUT AMOUNT

Base Salary X Target Incentive Percent

X Weighting of Strategic Milestones X Payout Factor

= Strategic Milestones Payout Eligibility

EAIP PAYOUT ELIGIBILITY

Financial Goals Payout Amount

+ Strategic Milestones Payout Amount

= EAIP Payout Eligibility

4. Notwithstanding anything to the contrary, the maximum payout, if any, a participant may receive is 175% of the target incentive amount.

5. The foregoing EAIP payout eligibility calculation is intended to set forth general guidelines on how awards are to be determined. The purpose of this plan is to motivate the participant to perform in an outstanding manner. The President and CEO has discretion under this plan to take into consideration the contribution of the participant, the participant's management of his/her organizational unit and other relevant factors, positive or negative, which impact the company's, the participant's organizational unit(s), and the participant's performance overall in determining whether to recommend granting or denying an award, and the amount of the award, if any. If the participant is the President and CEO, such discretion is to be exercised by the GCC and the Board.

VI. PAYOUTS

Payouts will be made within 90 days after the end of the plan year and will be based on audited financial results.

VII. STATUS CHANGES

A. In the event of a participant's death, disability, retirement or leave of absence prior to payout from the plan, the payout, if any, will be determined by the President and CEO in his/her sole discretion, subject to any approval of the GCC in its sole discretion, subject to any required Board approvals. If the participant is the President and CEO, such approval is required by the Board, in its sole discretion.

B. A participant who resigns, or whose employment is terminated by the company, with or without cause, before payout from the plan is distributed, will not receive a payout. Exception to this provision shall be made only with the approval of the GCC, in its sole discretion, subject to any required Board approvals. If the participant is the President and CEO, such approval is required by the Board in its sole discretion.

C. A participant who transfers between divisions of the company, will have his/her payout prorated to the nearest fiscal quarter for the time spent in each division, based on the achievement of financial goals and strategic milestones established for the position in each division, and based upon a judgment of the participant's contribution to the achievement of goals in each position, including interim revisions, if appropriate.

D. A participant who is appointed to a position with a different target incentive percent will have his/her payout prorated to the nearest fiscal quarter for the time spent in each position, based on the achievement of financial goals and strategic milestones established for each position.

E. A participant who is hired or promoted into an eligible position during the plan year may receive a prorated payout as determined by the President and CEO, in his/her sole discretion, subject to the approval of the GCC.

VIII. ADMINISTRATION AND OTHER MATTERS

A. The plan is effective for the plan year. It will terminate, subject to payout, if any, in accordance with and subject to the provisions of this plan unless renewed by the company in writing in its sole discretion.

B. This plan will be administered by the President and CEO, who will have authority to interpret and administer this plan, including, without limitation, all questions regarding eligibility and status of the participant, subject to the approval of the GCC required under this plan or the by-laws of the company.

C. This plan may be withdrawn, amended or modified at any time, for any reason, in writing, by the company.

D. The determination of an award and payout under this plan, if any, is subject to the approval of the President and CEO, the GCC, and the Board in their sole discretion. This plan does not confer upon any participant the right to receive any payout, or payment of any kind whatsoever.

E. No participant shall have any vested rights under this plan. This plan does not constitute a contract.

F. All deductions and other withholdings required by law shall be made to

the participant's payout, if any.

Exhibit 22

SUBSIDIARIES OF JOHN WILEY & SONS, INC.(1)

	Jurisdiction In Which Incorporated	
Wiley Europe Limited	England	
Wiley Heyden Limited	England	(2)
John Wiley & Sons Limited	England	(2)
Academy Group Limited	England	(2)
Chancery Law Publishing Limited	England	(2)
John Wiley & Sons Australia, LTD.	Australia	
John Wiley & Sons (HK) Limited	Hong Kong	
Wiley Interscience, Inc.	New York	
John Wiley & Sons International Rights, Inc.	Delaware	
Wiley-Liss, Inc.	Delaware	
Wiley Publishing Services, Inc.	Delaware	
Wiley Subscription Services, Inc.	Delaware	
Clinical Psychology Publishing Company, Inc.	Delaware	
John Wiley & Sons Canada Limited	Canada	
Wiley Foreign Sales Corporation	Barbados	
John Wiley & Sons (Asia) Pte Ltd.	Singapore	
Scripta Technica, Inc.	District of Columbia	
John Wiley & Sons GmbH	Germany	
VCH Verlagsgesellschaft mbH	Germany	(3)
Wilhelm Ernst & Sohn, Verlag fur Architektur und technische Wissenschaften, GmbH	Germany	(4)
Akademie Verlag GmbH	Germany	(4)
Chemical Concepts Gesellschaft fur Chemie-Informationssysteme mbH	Germany	(4)
VCH Publishers (U.K.) Limited	England	(4)
VCH Verlags AG	Switzerland	(4)
Verlag Chemie GmbH	Germany	(4)
Physik-Verlag GmbH	Germany	(4)

(1) The names of other subsidiaries which would not constitute a significant subsidiary in the aggregate have been omitted.
(2) Subsidiary of Wiley Europe Limited.
(3) Subsidiary of John Wiley & Sons GmbH.

(4) Subsidiary of VCH Verlagsgesellschaft mbH.

ARTICLE 5

John Wiley & Sons, Inc., and Subsidiaries Financial Data Schedule (Dollars in Thousands Except Per Share Data) This schedule contains summary financial information extracted from the consolidated statement of financial position and the consolidated statement of income and is qualified in its entirety by reference to such financial statements.

CIK: 0000107140

NAME: John Wiley & Sons, Inc.

MULTIPLIER: 1000

PERIOD TYPE	12 MOS
FISCAL YEAR END	APR 30 1999
PERIOD START	MAY 01 1998
PERIOD END	APR 30 1999
CASH	148,970
SECURITIES	0
RECEIVABLES	95,608
ALLOWANCES	41,824
INVENTORY	40,003
CURRENT ASSETS	225,970
PP&E	93,914
DEPRECIATION	59,188
TOTAL ASSETS	528,552
CURRENT LIABILITIES	195,100
BONDS	125,000
PREFERRED MANDATORY	0
PREFERRED	0
COMMON	83,190
OTHER SE	79,022
TOTAL LIABILITY AND EQUITY	528,552
SALES	0
TOTAL REVENUES	508,435
CGS	173,983
TOTAL COSTS	444,781
OTHER EXPENSES	0
LOSS PROVISION	0
INTEREST EXPENSE	7,322
INCOME PRETAX	62,045
INCOME TAX	22,336
INCOME CONTINUING	39,709
DISCONTINUED	0
EXTRAORDINARY	0
CHANGES	0
NET INCOME	39,709
EPS BASIC	.63
EPS DILUTED	.60

End of Filing

Powered By EDGAR Online

© 2005 | EDGAR Online, Inc.